

**A.F. FERGUSON & CO**  
**CHARTERED ACCOUNTANTS**  
*State Life Building No.1-C,*  
*I.I. Chundrigar Road,*  
*Karachi*

**TASEER HADI KHALID & CO**  
**CHARTERED ACCOUNTANTS**  
*Sheikh Sultan Trust*  
*Building No. 2, Beaumont Road,*  
*Karachi*

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of United Bank Limited (the Bank) to comply with Prudential Regulation No. XXIX, Responsibilities of Board of Directors, vide BSD Circular No. 15, dated June 13, 2002.

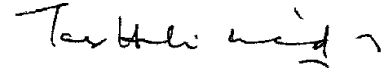
The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Bank personnel and review of various documents prepared by the Bank to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.



**A. F. FERGUSON & Co.**  
**Chartered Accountants**



**TASEER HADI KHALID & Co.**  
**Chartered Accountants**

Karachi  
Dated: January 31, 2005



**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2004**

	Note	2004 (UD Dollars in '000)	2003 Restated
<b>ASSETS</b>			
Cash and balances with treasury banks		402,913	291,693
Balances with other banks		406,765	307,185
Lendings to financial institutions		273,641	388,626
Investments		886,888	918,520
Advances			
Performing		2,450,434	1,605,252
Non-performing		78,983	64,469
Other assets		75,796	54,636
Fixed assets		85,876	65,371
Taxation recoverable		549	4,414
Deferred tax asset - net		87,412	92,316
		<b>4,749,257</b>	<b>3,792,482</b>
<b>LIABILITIES</b>			
Bills payable		64,539	50,333
Borrowings from financial institutions		212,637	160,242
Deposits and other accounts		3,988,801	3,194,219
Sub-ordinated loans		58,893	-
Liabilities against assets subject to finance lease		56	673
Other liabilities		61,379	79,560
Deferred liabilities		36,870	25,830
		<b>4,423,175</b>	<b>3,510,857</b>
<b>NET ASSETS</b>			
		<b>326,082</b>	<b>281,625</b>
<b>REPRESENTED BY:</b>			
Minority Interest		27,484	23,775
<b>SHARE HOLDERS' EQUITY:</b>			
Share capital		87,161	87,161
Reserves		100,630	79,296
Unappropriated profit		60,325	27,257
		<b>248,116</b>	<b>193,714</b>
Surplus on revaluation of assets		50,482	64,136
		<b>326,082</b>	<b>281,625</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			

These have been converted at Rs 59.43 per US Dollar from the audited financial statements.

Atif R. Bokhari  
President and  
Chief Executive Officer

Ahmad Waqar  
Director

Sir Mohammed Anwar Pervez, OBE, HPK  
Deputy Chairman

Nahayan Mabarak Al Nahayan  
Chairman



**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004 (US Dollars in '000)	2003 Restated
Mark-up / return / interest earned		162,554	155,973
Mark-up / return / interest expensed		<u>30,296</u>	<u>32,495</u>
Net mark-up / interest income		<u>132,258</u>	<u>123,478</u>
Provision against non-performing loans and advances - net		<u>7,634</u>	<u>7,557</u>
Provision / (reversal) for diminution in the value of investments - net		<u>(1,689)</u>	<u>1,732</u>
Bad debts written off directly		<u>65</u>	<u>217</u>
		<u>6,010</u>	<u>9,506</u>
Net mark-up / return / interest income after provisions		<u>126,248</u>	<u>113,972</u>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee, commission and brokerage income		<u>31,826</u>	<u>28,113</u>
Dividend income / gain on sale of investments		<u>18,562</u>	<u>34,650</u>
Income from dealing in foreign currencies		<u>12,130</u>	<u>7,932</u>
Other income		<u>17,021</u>	<u>12,516</u>
Total non mark-up / return / interest income		<u>79,539</u>	<u>83,211</u>
		<u>205,787</u>	<u>197,183</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Administrative expenses		<u>122,061</u>	<u>111,715</u>
Other provisions / write offs / (reversals)		<u>(747)</u>	<u>9,286</u>
Other charges		<u>176</u>	<u>93</u>
Total non mark-up / interest expenses		<u>121,490</u>	<u>121,094</u>
Extraordinary items		<u>-</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		<u>84,297</u>	<u>76,089</u>
Taxation - Current - for the year		<u>4,844</u>	<u>3,361</u>
- for prior years		<u>4,734</u>	<u>3,860</u>
- Deferred		<u>10,431</u>	<u>21,453</u>
		<u>20,009</u>	<u>28,674</u>
<b>PROFIT AFTER TAXATION</b>		<u>64,288</u>	<u>47,415</u>
Share of Minority Interest		<u>(737)</u>	<u>(363)</u>
Profit attributable to share holders		<u>63,551</u>	<u>47,052</u>
Unappropriated profit / (accumulated loss) brought forward		<u>27,257</u>	<u>(12,155)</u>
		<u>90,808</u>	<u>34,897</u>
Transfer from surplus on revaluation of fixed assets			
Current year - net of tax		<u>1,585</u>	<u>1,230</u>
Profit before appropriation		<u>92,393</u>	<u>36,127</u>
<b>APPROPRIATIONS</b>			
Transfer to:			
Statutory reserve		<u>(12,457)</u>	<u>(8,870)</u>
Capital reserve		<u>-</u>	<u>-</u>
Revenue reserve		<u>-</u>	<u>-</u>
Cash dividend for 2003		<u>(19,611)</u>	<u>-</u>
		<u>(32,068)</u>	<u>(8,870)</u>
Unappropriated profit carried forward		<u>60,325</u>	<u>27,257</u>
		<b>(US Dollars)</b>	
<b>Basic earnings per share</b>		<u>0.12</u>	<u>0.09</u>
<b>Diluted earnings per share</b>		<u>0.12</u>	<u>0.09</u>

These have been converted at Rs 59.43 per US Dollar from the audited financial statements.

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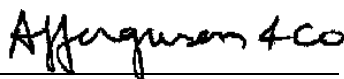
### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of United Bank Limited and its subsidiary companies (the Group) as at December 31, 2004 and the related consolidated Profit and Loss Account, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity together with the notes forming part thereof, for the year then ended. These financial statements include unaudited certified returns from the branches, except for 61 branches, which have been audited by us and 15 branches audited by auditors abroad. We have also expressed a separate opinion on the financial statements of United Bank Limited while the financial statements of subsidiary companies United National Bank Limited, United Bank AG (Zurich), United Executors and Trustees Company Limited, United Asset Management Company Limited and United Bank Financial Services (Private) Limited were audited by other firms of Chartered Accountants and our opinion in so far as it relates to the amounts included for such companies, is based solely on the report of such auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

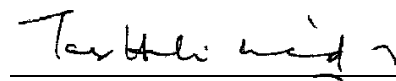
In our opinion, the consolidated financial statements examined by us, based on 61 branches audited by us and the returns referred to above received from the branches which have been found adequate for the purposes of our audit, present fairly the financial position of United Bank Limited and its subsidiary companies as at December 31, 2004 and the results of their operations, their cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

The financial statements of the Group for the year ended December 31, 2003 were audited by A.F.Ferguson & Co., Chartered Accountants and Ford Rhodes Sidat Hyder & Co., Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated February 15, 2004.

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A.F.FERGUSON & CO.  
Chartered Accountants  
Karachi

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TASEER HADI KHALID & CO.  
Chartered Accountants  
Karachi

**Dated: January 31, 2005**

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2004**

	Note	2004 (Rupees in '000)	2003 Restated
<b>ASSETS</b>			
Cash and balances with treasury banks	6	23,945,146	17,335,294
Balances with other banks	7	24,174,064	18,255,986
Lendings to financial institutions	8	16,262,504	23,096,028
Investments	9	52,707,729	54,587,665
Advances			
Performing	10	145,629,269	95,400,133
Non-performing	10	4,693,940	3,831,408
Other assets	11	4,504,533	3,247,034
Fixed assets	12	5,103,654	3,884,990
Taxation recoverable	13	32,607	262,317
Deferred tax asset - net	13	5,194,892	5,486,357
		<b>282,248,338</b>	<b>225,387,212</b>
<b>LIABILITIES</b>			
Bills payable	15	3,835,555	2,991,269
Borrowings from financial institutions	16	12,637,036	9,523,194
Deposits and other accounts	17	237,054,440	189,832,444
Sub-ordinated loans	18	3,500,000	-
Liabilities against assets subject to finance lease	19	3,306	39,995
Other liabilities	20	3,647,760	4,728,248
Deferred liabilities	21	2,191,180	1,535,059
		<b>262,869,277</b>	<b>208,650,209</b>
<b>NET ASSETS</b>		<b>19,379,061</b>	<b>16,737,003</b>
<b>REPRESENTED BY:</b>			
Minority Interest		1,633,352	1,412,932
<b>SHARE HOLDERS' EQUITY:</b>			
Share capital	22	5,180,000	5,180,000
Reserves		5,980,448	4,712,569
Unappropriated profit		3,585,102	1,619,903
		<b>14,745,550</b>	<b>11,512,472</b>
Surplus on revaluation of assets	23	3,000,159	3,811,599
		<b>19,379,061</b>	<b>16,737,003</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

The annexed notes 1 - 51 and annexures form an integral part of these consolidated financial statements.

Atif R. Bokhari  
President and  
Chief Executive Officer

Ahmad Waqar  
Director

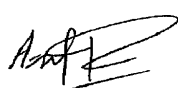
Sir Mohammed Anwar Pervez, OBE, HPk  
Deputy Chairman

Nahayan Mabarak Al Nahayan  
Chairman

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004 (Rupees in '000)	2003 Restated
Mark-up / return / interest earned	26	9,660,563	9,269,494
Mark-up / return / interest expensed	27	1,800,477	1,931,179
Net mark-up / interest income		<u>7,860,086</u>	<u>7,338,315</u>
Provision against non-performing loans and advances - net	10.3	453,708	449,114
Provision / (reversal) for diminution in the value of investments - net	9.3	(100,381)	102,945
Bad debts written off directly	10.4	3,841	12,897
		<u>357,168</u>	<u>564,956</u>
Net mark-up / return / interest income after provisions		<u>7,502,918</u>	<u>6,773,359</u>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee, commission and brokerage income		1,891,444	1,670,765
Dividend income / gain on sale of investments	28	1,103,160	2,059,232
Income from dealing in foreign currencies		720,865	471,377
Other income	29	1,011,572	743,830
Total non mark-up / return / interest income		<u>4,727,041</u>	<u>4,945,204</u>
		<u>12,229,959</u>	<u>11,718,563</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Administrative expenses	30	7,254,069	6,639,239
Other provisions / write offs / (reversals)	31	(44,369)	551,840
Other charges	32	10,456	5,501
Total non mark-up / interest expenses		<u>7,220,156</u>	<u>7,196,580</u>
Extraordinary items		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>5,009,803</u>	<u>4,521,983</u>
Taxation - Current - for the year	33	287,872	199,735
- for prior years	33	281,360	229,384
- Deferred	33	619,900	1,274,978
		<u>1,189,132</u>	<u>1,704,097</u>
<b>PROFIT AFTER TAXATION</b>		<u>3,820,671</u>	<u>2,817,886</u>
Share of Minority Interest		(43,877)	(21,568)
Profit attributable to share holders		<u>3,776,794</u>	<u>2,796,318</u>
Unappropriated profit / (accumulated loss) brought forward		<u>1,619,903</u>	<u>(722,387)</u>
		<u>5,396,697</u>	<u>2,073,931</u>
Transfer from surplus on revaluation of fixed assets			
Current year - net of tax	23.1	94,214	73,096
Profit before appropriation		<u>5,490,911</u>	<u>2,147,027</u>
<b>APPROPRIATIONS</b>			
Transfer to:			
Statutory reserve		(740,309)	(527,124)
Capital reserve		-	-
Revenue reserve		-	-
Cash dividend for 2003		(1,165,500)	-
		<u>(1,905,809)</u>	<u>(527,124)</u>
Unappropriated profit carried forward		<u>3,585,102</u>	<u>1,619,903</u>
			(Rupees)
<b>Basic earnings per share</b>	34	<u>7.38</u>	<u>5.44</u>
<b>Diluted earnings per share</b>	34	<u>7.38</u>	<u>5.44</u>

The annexed notes 1 - 51 and annexures form an integral part of these consolidated financial statements.



Atif R. Bokhari  
President and  
Chief Executive Officer



Ahmad Waqar  
Director



Sir Mohammed Anwar Pervez, OBE, HPK  
Deputy Chairman



Nahayan Mabarak Al Nahayan  
Chairman

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
		(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		5,009,803	4,521,983
Less: Dividend income		(155,215)	(82,233)
		<u>4,854,588</u>	<u>4,439,750</u>
Adjustments for non-cash charges			
Depreciation		446,920	378,278
Amortisation		-	261,769
Provision for retirement benefits		671,665	754,360
Provision against non-performing advances		453,709	449,114
(Reversal) / provision for diminution in the value of investments		(100,381)	102,945
Provision against off balance sheet items		-	492,000
Gain on sale of fixed assets		(25,930)	(12,882)
Finance charges on leased assets		2,966	10,320
Advances written-off		3,841	98,025
Reversal against other assets		(47,504)	(11,363)
		<u>1,405,286</u>	<u>2,522,566</u>
		<u>6,259,874</u>	<u>6,962,316</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		6,833,524	(15,423,234)
Held for trading securities		5,989,905	(8,499,788)
Advances - net		(51,549,218)	(29,253,058)
Others assets (excluding advance taxation)		(856,733)	206,249
		<u>(39,582,522)</u>	<u>(52,969,831)</u>
Increase / (decrease) in operating liabilities			
Bills payable		844,286	1,144,244
Borrowings from financial institutions		3,113,842	1,387,052
Deposits		47,221,996	27,105,976
Other liabilities		(1,080,488)	(1,580,941)
		<u>50,099,636</u>	<u>28,056,331</u>
		<u>16,776,988</u>	<u>(17,951,184)</u>
Staff retirement benefits paid		(279,899)	(55,250)
Income tax paid		(339,522)	(376,521)
Net cash flow from operating activities		<u>16,157,567</u>	<u>(18,382,955)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in securities		(5,055,249)	19,887,646
Dividend received		66,308	79,672
Investments in operating fixed assets		(1,700,059)	(476,131)
Sale proceeds of property and equipment disposed-off		60,405	20,338
Net cash flow from investing activities		<u>(6,628,595)</u>	<u>19,511,525</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipt of sub-ordinated loan		3,500,000	-
Dividend paid		(1,165,500)	-
Payment of lease obligations		(39,655)	(51,873)
Net cash flow from financing activities		<u>2,294,845</u>	<u>(51,873)</u>
Exchange adjustment on translation of net assets attributable to minority shareholders		176,543	119,664
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates		527,570	(73,502)
Effects of exchange rate changes on cash and cash equivalents		-	103,707
Increase / (decrease) in cash and cash equivalents during the year		<u>12,527,930</u>	<u>1,226,566</u>
Cash and cash equivalents at beginning of the year		<u>35,591,280</u>	<u>34,364,714</u>
Cash and cash equivalents at end of the year	35	<u><u>48,119,210</u></u>	<u><u>35,591,280</u></u>

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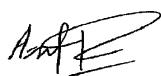
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Chairman

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2004**

	Share Capital	General Reserve	Statutory Reserve	Exchange Translation Reserve	(Accumulated Loss) / Unappropriated Profit	Total
(Rupees in '000)						
Balance as at December 31, 2002	5,180,000	3,000	2,685,006	1,570,941	(722,387)	8,716,560
Profit after taxation for the year ended December 31, 2003 attributable to the share holders	-	-	-	-	2,796,318	2,796,318
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	73,096	73,096
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates	-	-	-	(73,502)	-	(73,502)
Transfer to statutory reserve	-	-	527,124	-	(527,124)	-
Proposed cash dividend	-	-	-	-	(1,165,500)	(1,165,500)
Balance as at December 31, 2003 - as reported earlier	<u>5,180,000</u>	<u>3,000</u>	<u>3,212,130</u>	<u>1,497,439</u>	<u>454,403</u>	<u>10,346,972</u>
<b>Effect of change in accounting policy (note 5.9)</b>						
Final dividend for the year ended December 31, 2003	-	-	-	-	1,165,500	1,165,500
Balance as at December 31, 2003 - restated	<u>5,180,000</u>	<u>3,000</u>	<u>3,212,130</u>	<u>1,497,439</u>	<u>1,619,903</u>	<u>11,512,472</u>
<b>Effect of change in accounting policy (note 5.9)</b>						
Final dividend for the year ended December 31, 2003	-	-	-	-	(1,165,500)	(1,165,500)
Profit after taxation for the year ended December 31, 2004 attributable to the share holders	-	-	-	-	3,776,794	3,776,794
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	94,214	94,214
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates	-	-	-	527,570	-	527,570
Transfer to statutory reserve	-	-	740,309	-	(740,309)	-
Balance as at December 31, 2004	<u>5,180,000</u>	<u>3,000</u>	<u>3,952,439</u>	<u>2,025,009</u>	<u>3,585,102</u>	<u>14,745,550</u>

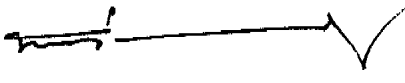
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Director



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Nahayan Mabarak Al Nahayan  
Chairman



## UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

### 1. THE GROUP AND ITS OPERATIONS

#### 1.1 The Group consist of :

##### Holding Company

- United Bank Limited, Pakistan (The Bank)

##### Subsidiary Companies

- United National Bank Limited (UNB), United Kingdom
- United Bank A.G. Zurich, Switzerland
- United Executors and Trustees Company Limited, Pakistan
- United Bank Financial Services (Private) Limited, Pakistan
- United Asset Management Company Limited, Pakistan

The Group is engaged in commercial banking, modaraba management, asset management and trusteeship services.

#### 1.2 The minority interest represents National Bank of Pakistan's 45% share in the net asset value of United National Bank Limited (UNBL).

### 2. BASIS OF PRESENTATION

The financial statements include the financial statements of United Bank Limited and its subsidiary companies. The financial statements of the subsidiary companies have been consolidated on a line-by-line basis.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

Material intra-group balances and transactions have been eliminated.

### 3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The State Bank of Pakistan as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking Companies till further instructions. Accordingly, the requirements of these Standards were considered in the preparation of the financial statements of United Bank Limited. However, investments have been classified in accordance with the categories prescribed by the State Bank of Pakistan vide BSD Circular No. 10 dated July 13, 2004.

### 4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, certain investments are stated at market value, derivative financial instruments have been marked to market, assets and liabilities of foreign branches are translated at year-end rates of exchange, and certain staff retirement benefits are carried at present value.

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**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**5.1 Cash and cash equivalents**

Cash and cash equivalents represent cash and balances with treasury banks, balances with other banks in current and deposit accounts.

**5.2 Lendings to / borrowings from financial institutions**

The Group enters into transactions of repos and reverse repos at contracted rates for a specified period of time. These are recorded as under:

(a) Sale under repurchase obligations

Securities sold subject to a re-purchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued over the period of the agreement and recorded as an expense.

(b) Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are included in lendings to financial institutions. The differential between the contracted price and resale price is amortised over the period of the agreement and is recorded as income.

**5.3 Investments**

The Group classifies its investments as follows:

(a) Held for trading

These are securities, which are either acquired for generating a profit from short-term fluctuation in market prices, interest rate movements, dealers margin or are securities included in a portfolio in which a pattern of short-term profit making exists.

(b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity.

(c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories.

In accordance with the requirements of State Bank of Pakistan, quoted securities other than those classified under held to maturity portfolio and investments in subsidiaries and associates are stated at market value.

During the year, United Bank Limited has changed its accounting policy in respect of accounting for unrealized surplus / deficit arising on revaluation of held for trading investment portfolio. As per the new policy, surplus / (deficit) arising on revaluation of the Bank's held for trading investment portfolio is taken to the profit and loss account. This change has been made to comply with the requirements laid down in BSD Circular No. 10 dated July 13, 2004, issued by the State Bank of Pakistan. Previously, this surplus / deficit was being shown in the balance sheet below equity as required by the State Bank of Pakistan's BSD Circular No. 20 dated August 04, 2000.

In accordance with the allowed alternative treatment specified in International Accounting Standard 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies), the effect of this change in accounting policy has been recognised in the current year and the comparative information has not been restated. Had the accounting policy not been changed, the profit before taxation for the year ended December 31, 2004 would have been lower by Rs. 1.044 million. Restated proforma information which assumes that the new policy had always been in use is given in note 25 to these financial statements.

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During the current year, the Bank has also changed its accounting policy in respect of valuation of investments classified as held to maturity. According to the new policy, these investments are carried at amortized cost. Previously, these investments were marked to market as per the requirements of SBP's BSD Circular No. 20 dated August 4, 2000 and the related surplus / deficit was shown in the balance sheet below equity. This change has been made to comply with the requirements laid down in BSD Circular No. 14 dated September 24, 2004, issued by the State Bank of Pakistan. The change in accounting policy did not have any impact on the profit and loss account for the current and the prior period. Had the accounting policy not been changed, the surplus on revaluation of assets as at December 31, 2004 would have been higher by 137.681 million.

The surplus / (deficit) arising on quoted securities classified as available for sale is kept in a separate account shown in the balance sheet below equity.

Unquoted equity securities are valued at the lower of cost and break-up value. Subsequent increases or decreases in the carrying value are credited/charged to income. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses, if any.

The Group holds 25% shares in Oman United Exchange Company LLC (associated company). This investment is carried at cost less impairment losses, if any, and has not been accounted for using the equity method as the Group does not exercise significant influence on the company.

Provision for diminution in the values of securities (except debentures, participation term certificates and term finance certificates) is made after considering permanent impairment, if any, in their value. Provisions for diminution in value of debentures, participation term certificates and term finance certificates are made as per the Prudential Regulations issued by the State Bank of Pakistan.

Profit and loss on sale of investments is included in income currently.

**5.4 Advances**

Advances are stated net of general and specific provisions.

Provisions for domestic advances of the Bank are made in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan and charged to the profit and loss account.

General and specific provisions pertaining to overseas advances are made to meet the requirements of monetary agencies and regulatory authorities.

**5.5 Operating fixed assets and depreciation**

**Owned**

Property and equipment are stated at cost or revalued amount less accumulated depreciation and impairment loss (if any). Capital work-in-progress is stated at cost. Cost of fixed assets of foreign branches and subsidiaries includes exchange difference arising on translation at year-end rates.

Depreciation is calculated so as to write off the assets over their expected economic lives at varying rates and methods depending on the nature of the asset and the country of its location. No depreciation is charged on freehold land.

Depreciation on additions is charged from the month in which the asset is put to use and on disposals upto the month of disposal.

Land and buildings of the Bank are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value.

Surplus arising on revaluation is credited to surplus on revaluation of fixed assets account. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred by the Group to unappropriated profit.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

Gains and losses on sale of fixed assets are included in income currently, except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

#### **Leased**

Assets held under finance leases are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods.

The finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of return on the outstanding liability.

Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Group.

## **5.6 Taxation**

#### **Current**

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned from local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax is calculated using prevailing tax rates or tax rates expected to apply to the profits for the year at enacted rates or minimum tax at the rate of 0.5% of turnover which ever is higher. The charge for the current tax also includes adjustments, where considered necessary relating to prior years, arising from assessments framed during the year.

#### **Deferred**

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. In addition, the Group also records deferred tax asset on available tax losses. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is possible that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group also recognises deferred tax asset / liability on deficit / surplus on revaluation of fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of revised International Accounting Standard (IAS) 12 dealing with Income Taxes.

## **5.7 Provisions**

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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**5.8 Staff retirement and other benefits**

**5.8.1 Staff retirement benefit schemes**

**United Bank Limited**

- a) The Bank operates the following staff retirement schemes for its employees:
  - approved funded pension scheme, introduced in 1986 (defined benefit scheme); and
  - approved non-contributory provident fund in lieu of the contributory provident fund.
- b) For new employees and for those who opted for new scheme introduced in 1991, the Bank operates:
  - approved contributory provident fund (defined contribution scheme); and
  - approved gratuity scheme (defined benefit scheme).

In the year 2001, the Bank modified the pension scheme and introduced a conversion option for employees covered under scheme (a) above to scheme (b). This option ceased on December 31, 2003.

The Bank also operates a contributory benevolent fund for all its employees (defined benefit scheme).

Annual contributions towards the defined benefit schemes are made on the basis of actuarial advice using the Projected Unit Credit Method.

**United National Bank Limited (UNBL)**

UNBL operates a pension scheme (defined benefit scheme) for certain staff. This scheme is closed for new members. The assets of the scheme are held separately from those of UNBL in independently administered funds. Pension costs are assessed in accordance with the advice of the independent qualified actuary to recognize the cost of pensions on a systematic basis over employees' service lives.

For defined contribution schemes, the amount charged to the profit and loss account is the contributions payable in the year. Difference between the contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**5.8.2 Other benefits**

- a) Employees' compensated absences (defined benefit scheme)

The Bank provides for compensated vested and non-vested absences accumulated by its employees on the basis of actuarial advice under the Projected Unit Credit Method.

- b) Post retirement medical benefits (defined benefit scheme)

The Bank provides post retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefit on the basis of actuarial advice under the Projected Unit Credit Method.

**5.9 Proposed dividend**

During the current year the Group has changed its accounting policy pertaining to recognition of dividends declared subsequent to the year end. The change has been made consequent to the amendment made by the Securities and Exchange Commission of Pakistan in the Companies Ordinance, 1984 and the new policy is in accordance with the requirements of IAS 10 (Events after the Balance Sheet Date). As per the new policy dividend declared subsequent to the balance sheet date are considered as a non-adjusting event and are not recognised in the financial statements as liability. Previously such dividend declarations were being treated as adjusting events in the financial statements of the Group and were recorded as liability. The change in accounting policy has been applied retrospectively and comparative information has been restated in accordance with the benchmark treatment specified in IAS 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies). Had there been no change in the accounting policy, the unappropriated profit would have been lower and other liabilities would have been higher for the year ended December 31, 2003 by Rs 1,

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The effect of the change in accounting policy has been reflected in the statement of changes in equity. The change in accounting policy has not resulted in any change in the profit for the current year.

**5.10 Revenue recognition**

**Advances and investments**

Mark-up/return on regular loans/advances and investments is recognized on accrual basis. Where debt securities are purchased at premium or discount, those premiums/discounts are amortized through the profit and loss account over the remaining period of maturity.

Interest or markup recoverable on classified loans and advances and investments is recognized on receipt basis. Interest / return / markup on rescheduled/restructured loans and advances and investments is recognized as permitted by the regulations of the State Bank of Pakistan or overseas regulatory authorities of countries where the branches and subsidiary companies operate, except where in the opinion of the management, it would not be prudent to do so.

Dividend income is recognized when the right to receive the dividend is established.

**Letters of credit / guarantee and others**

Fees, brokerage and commission on letters of credit/guarantee and others is recognized on accrual basis.

**5.11 Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to profit and loss account.

**5.12 Foreign currencies**

a) Foreign currency transactions

Transactions in foreign currencies are translated to rupees at the foreign exchange rates ruling on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange ruling on the balance sheet date except that certain deposits, which are covered by forward foreign exchange contracts, are translated at contracted rates. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

b) Foreign entities

The assets and liabilities of foreign entities are translated to rupees at exchange rates prevailing at the balance sheet date. The results of foreign entities are translated at the average rate of exchange for the year.

c) Translation gains and losses

Translation gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign branches, subsidiaries and associates, which are taken to capital reserve (Exchange Translation Reserve).

d) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at forward rates applicable to their respective maturities. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange ruling on the balance sheet date.

**5.13 Off setting**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Group intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

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	2004	2003
	(Rupees in '000)	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	3,785,931	2,939,239
Foreign currency	1,042,880	662,297
With State Bank of Pakistan in		
Local currency current account	12,153,975	7,938,429
Local currency deposit account	3,864	3,864
Foreign currency deposit account	1,625,303	1,221,734
With other central banks in foreign currency current account	3,605,018	3,178,702
With National Bank of Pakistan in local currency account	1,681,685	1,357,486
National Prize Bonds	46,490	33,543
	<b>23,945,146</b>	<b>17,335,294</b>

**6.1** Deposits with State Bank of Pakistan are maintained to comply with the statutory requirements issued from time to time. Deposits with other central banks are maintained to meet the minimum cash reserves and capital requirements pertaining to the foreign branches and subsidiaries of the Group.

	Note	2004	2003
		(Rupees in '000)	
<b>7. BALANCES WITH OTHER BANKS</b>			
Outside Pakistan			
In current accounts		1,372,184	296,862
In deposit accounts		22,801,880	17,959,124
		<b>24,174,064</b>	<b>18,255,986</b>

**8. LENDINGS TO FINANCIAL INSTITUTIONS**

Call money lendings		1,876,465	840,000
Repurchase agreement lendings	8.1	8,011,490	18,210,791
Lendings to banks / financial institutions		6,374,549	4,045,237
		<b>16,262,504</b>	<b>23,096,028</b>

**8.1 Securities held as collateral against lendings to financial institutions**

	2004		
	Held by Group	Further given as collateral	Total
	(Rupees in '000)		
Market Treasury Bills	2,936,904	491,586	3,428,490
Pakistan Investment Bonds	4,583,000	-	4,583,000
	<b>7,519,904</b>	<b>491,586</b>	<b>8,011,490</b>

	2003		
	Held by Group	Further given as collateral	Total
	(Rupees in '000)		
Market Treasury Bills	15,214,791	-	15,214,791
Pakistan Investment Bonds	2,996,000	-	2,996,000
	<b>18,210,791</b>	<b>-</b>	<b>18,210,791</b>

**8.2** These lendings carry mark-up at rates ranging from 1.25% to 6.5% (2003: 0.8% to 6.7%) per annum.

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Note	2004			2003		
	Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
(Rupees in '000)						
<b>9. INVESTMENTS</b>						
<b>9.1 Investments by types</b>						
<b>Held for trading</b>						
Market Treasury Bills	1,340,956	1,045,006	2,385,962	5,225,000	-	5,225,000
Ordinary shares of listed companies	-	-	-	685,250	-	685,250
Term Finance Certificates	122,950	-	122,950	-	-	-
Pakistan Investment Bonds	971	-	971	2,589,538	-	2,589,538
	<b>1,464,877</b>	<b>1,045,006</b>	<b>2,509,883</b>	<b>8,499,788</b>	<b>-</b>	<b>8,499,788</b>
<b>Available for sale</b>						
Market Treasury Bills	13,893,796	1,097,647	14,991,443	12,539,307	2,669,522	15,208,829
Pakistan Investment Bonds	4,072,246	-	4,072,246	7,240,336	-	7,240,336
Federal Investment Bonds	-	-	-	318,608	-	318,608
Ordinary shares of listed companies	758,198	-	758,198	600,105	-	600,105
Units of mutual fund	350,000	-	350,000	350,000	-	350,000
Term Finance Certificates	341,960	-	341,960	-	-	-
Ordinary shares of unlisted companies	303,392	-	303,392	303,618	-	303,618
Foreign securities	35,343	-	35,343	-	-	-
Commercial paper	-	-	-	78,490	-	78,490
	<b>19,754,935</b>	<b>1,097,647</b>	<b>20,852,582</b>	<b>21,430,464</b>	<b>2,669,522</b>	<b>24,099,986</b>
<b>Held to maturity</b>						
Term Finance Certificates	8,305,766	-	8,305,766	6,450,561	-	6,450,561
Government of Pakistan - Guaranteed bonds	5,699,540	-	5,699,540	5,249,173	-	5,249,173
CIRC bonds	4,054,883	-	4,054,883	4,054,883	-	4,054,883
Pakistan Investment Bonds	3,837,791	2,091,533	5,929,324	-	-	-
Foreign currency bonds	2,024,073	-	2,024,073	2,280,646	-	2,280,646
Foreign securities	1,679,600	-	1,679,600	1,235,833	-	1,235,833
Government of Pakistan - US Dollar / Euro bonds	1,403,469	-	1,403,469	1,349,094	-	1,349,094
Debentures	176,277	-	176,277	196,667	-	196,667
CDC SAARC Fund	124,144	-	124,144	279,245	-	279,245
Participation Term Certificates	77,267	-	77,267	94,687	-	94,687
Federal Investment Bonds	45,026	-	45,026	-	-	-
Provincial Government Securities	1,207	-	1,207	36,271	-	36,271
Cumulative preference shares	8,120	-	8,120	-	-	-
	<b>27,437,163</b>	<b>2,091,533</b>	<b>29,528,696</b>	<b>21,227,060</b>	<b>-</b>	<b>21,227,060</b>
<b>Associate</b>						
Oman United Exchange Company, Muscat	15,436	-	15,436	14,909	-	14,909
	<b>48,672,411</b>	<b>4,234,186</b>	<b>52,906,597</b>	<b>51,172,221</b>	<b>2,669,522</b>	<b>53,841,743</b>
Provision for diminution in value of investments	9.3 (540,402)	-	(540,402)	(640,229)	-	(640,229)
Surplus / (deficit) on revaluation of available for sale investments	23.2 341,121	(631)	340,490	1,386,151	-	1,386,151
Surplus / (deficit) on revaluation of held for trading investments	1,069	(25)	1,044	-	-	-
Investments (net of provisions)	<b>48,474,199</b>	<b>4,233,530</b>	<b>52,707,729</b>	<b>51,918,143</b>	<b>2,669,522</b>	<b>54,587,665</b>



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	Note	2004	2003
		(Rupees in '000)	
<b>9.2 Investments by segments</b>			
Federal Government Securities			
Market Treasury Bills		17,377,405	20,342,718
Pakistan Investment Bonds		10,002,541	9,829,874
Foreign currency bonds		2,024,073	2,280,646
Government of Pakistan - US Dollar / Euro bonds		1,403,469	1,349,094
Federal Investment Bonds		45,026	318,608
		<b>30,852,514</b>	<b>34,120,940</b>
<b>Provincial Government Securities</b>		<b>1,207</b>	<b>36,271</b>
<b>Overseas Governments' Securities</b>			
Foreign securities		1,456,817	1,059,270
Market Treasury Bills		96,317	91,111
		<b>1,553,134</b>	<b>1,150,381</b>
<b>Other Overseas Securities</b>			
CDC SAARC fund		124,144	279,245
Foreign securities		161,809	176,563
		<b>285,953</b>	<b>455,808</b>
<b>Fully Paid-up Ordinary Shares</b>			
Unlisted companies		303,392	303,618
Listed companies		758,198	1,285,355
Cumulative Preference shares		8,120	-
		<b>1,069,710</b>	<b>1,588,973</b>
<b>Term Finance Certificates, Debentures, Bonds and Participation Term Certificates</b>			
Term Finance Certificates			
Listed		8,128,472	1,373,653
Unlisted		642,204	5,076,908
Bonds		8,770,676	6,450,561
Debentures		9,754,423	9,304,056
Participation Term Certificates		176,277	196,667
Commercial paper		77,267	94,687
		-	78,490
		<b>18,778,643</b>	<b>16,124,461</b>
Investment in mutual fund (listed)		<b>350,000</b>	<b>350,000</b>
<b>Investment in associate</b>		<b>15,436</b>	<b>14,909</b>
		<b>52,906,597</b>	<b>53,841,743</b>
Provision for diminution in value of investments	9.3	(540,402)	(640,229)
Surplus on revaluation of available for sale investments	23.2	340,490	1,386,151
Surplus on revaluation of held for trading investments		1,044	-
<b>Investments (net of provisions)</b>		<b>52,707,729</b>	<b>54,587,665</b>

**9.3 Particulars of provision for diminution in value of investments**

Opening balance		640,229	571,396
Exchange adjustment		3,970	-
Charged during the year		-	182,269
Reversed during the year		(100,381)	(79,324)
Transfers		17,011	(12,456)
Written off during the year		(20,427)	(21,656)
Closing balance		<b>540,402</b>	<b>640,229</b>

**9.4** Investments include Rs 287 million (2003: Rs 782 million) held by the State Bank of Pakistan and National Bank of Pakistan as pledge against demand loan, TT / DD discounting facilities and foreign exchange exposure limit sanctioned to the Group.

**9.5** Information relating to investments in shares of listed and unlisted companies, redeemable capital, debentures and bonds, required to be disclosed as part of the financial statements under State Bank of Pakistan's BSD Circular No. 36 dated October 10, 2001, is given in Annexure 'A'.

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	Note	Performing		Non-performing	
		2004	2003	2004	2003
(Rupees in '000)					
<b>10. ADVANCES</b>					
Loans, cash credits, running finances, etc.					
In Pakistan		113,521,983	74,934,525	11,827,862	10,354,782
Outside Pakistan		18,813,809	13,132,322	6,590,823	6,671,374
		132,335,792	88,066,847	18,418,685	17,026,156
Bills discounted and purchased (excluding government treasury bills)					
Payable in Pakistan		3,871,559	2,247,692	286,514	252,687
Payable outside Pakistan		8,412,767	4,636,929	1,836,086	2,058,603
		12,284,326	6,884,621	2,122,600	2,311,290
		144,620,118	94,951,468	20,541,285	19,337,446
Financing in respect of carry over transactions		1,327,542	608,082	-	-
Provision against advances					
Specific	10.3	-	-	(15,847,345)	(15,506,038)
General	10.3.2	(318,391)	(159,417)	-	-
		145,629,269	95,400,133	4,693,940	3,831,408
<b>10.1 Particulars of advances</b>					
<b>10.1.1</b> In local currency		118,616,693	81,835,536	4,236,710	2,939,896
In foreign currencies		27,012,576	13,564,597	457,230	891,512
		145,629,269	95,400,133	4,693,940	3,831,408
<b>10.1.2</b> Short term		93,297,036	85,247,253	-	-
Long term		52,332,233	10,152,880	4,693,940	3,831,408
		145,629,269	95,400,133	4,693,940	3,831,408
<b>10.1.3</b> Non-performing advances include advances having Gross Book Value of Rs 509.533 million (2003: Rs 303.2 million) and Net Book Value of Rs 458.225 million (2003: 266.8 million) though restructured and performing have been placed in the non-performing status as required by the revised Prudential Regulations issued by the State Bank of Pakistan, which requires monitoring for atleast one year before any upgradation is considered.					

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**10.2** Advances include Rs. 20,541 million (2003: Rs. 18,916 million) which have been placed under non-performing status as detailed below:

Category of Classification	2004				
	Domestic	Overseas	Total	Specific provision Required	Specific provision Held
	(Rupees in '000)				
Other Assets Especially Mentioned	1,365,330	120,072	1,485,402	-	-
Substandard	303,643	29,417	333,060	23,803	23,803
Doubtful	386,312	10,422	396,734	19,871	19,871
Loss	10,533,320	7,354,817	17,888,137	15,578,043	15,578,043
	<u>12,588,605</u>	<u>7,514,728</u>	<u>20,103,333</u>	<u>15,621,717</u>	<u>15,621,717</u>
Subsidiary companies	-	437,952	437,952	225,628	225,628
	<u>12,588,605</u>	<u>7,952,680</u>	<u>20,541,285</u>	<u>15,847,345</u>	<u>15,847,345</u>

Category of Classification	2003				
	Domestic	Overseas	Total	Specific provision Required	Specific provision Held
	(Rupees in '000)				
Other Assets Especially Mentioned	129,412	298,381	427,793	-	-
Substandard	45,509	8,679	54,188	8,050	8,050
Doubtful	101,147	272,189	373,336	164,616	164,616
Loss	11,093,685	6,967,498	18,061,183	15,132,392	15,132,392
	<u>11,369,753</u>	<u>7,546,747</u>	<u>18,916,500</u>	<u>15,305,058</u>	<u>15,305,058</u>
Subsidiary companies	-	420,946	420,946	200,980	200,980
	<u>11,369,753</u>	<u>7,967,693</u>	<u>19,337,446</u>	<u>15,506,038</u>	<u>15,506,038</u>

**10.3 Particulars of provision against advances**

	Note	2004			2003		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		15,506,038	159,417	15,665,455	15,676,687	139,592	15,816,279
Exchange adjustments		310,516	9,274	319,790	95,440	(12,787)	82,653
Charged during the year		544,222	150,692	694,914	547,911	110,816	658,727
Reversed during the year		(240,214)	(992)	(241,206)	(208,341)	(1,272)	(209,613)
Transfers		259,695	-	259,695	74,207	(74,207)	-
Written off during the year	10.4	(532,912)	-	(532,912)	(679,866)	(2,725)	(682,591)
Closing balance		<u>15,847,345</u>	<u>318,391</u>	<u>16,165,736</u>	<u>15,506,038</u>	<u>159,417</u>	<u>15,665,455</u>

**10.3.1** During the current year, United Bank Limited changed the method of computation of provision against non-performing advances in order to comply with the requirements of the revised Prudential Regulations, issued by the State Bank of Pakistan. In accordance with the revised regulations the Banks are required to apply an adjustment factor of 80 percent to the Forced Sale Value (FSV) of mortgaged assets held as collateral against advances while determining the provision requirement against non-performing advances. The incremental provision arising as a result of the above mentioned discounting of the FSV's of mortgaged assets amounted to Rs 215.34 million which has been provided in these financial statements. Had the above mentioned discounting of collaterals not been carried out, the profit before taxation for the year ended December 31, 2004 would have been higher by Rs 215.34 million whereas advances (net of provision) at the end of the year would have been higher by the same amount.

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**10.3.2** General provision represents provision amounting to Rs.104.390 million (December 31, 2003: Nil ) against consumer finance portfolio as required by the revised Prudential Regulations issued by State Bank of Pakistan and Rs. 214.001 million (2003: Rs. 159.417 million) pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries.

	Note	2004 (Rupees in '000)	2003
<b>10.4 Particulars of write-offs</b>			
Against provisions	10.3	532,912	682,591
Directly charged to profit and loss account		<u>3,841</u>	<u>12,897</u>
		<u><b>536,753</b></u>	<u><b>695,488</b></u>
Write-offs of Rs. 500,000 and above	10.5	311,706	363,372
Write-offs of below Rs. 500,000		187,061	271,668
Overseas		<u>37,986</u>	<u>60,448</u>
		<u><b>536,753</b></u>	<u><b>695,488</b></u>

**10.5 Details of loan write-off of Rs. 500,000/- and above**

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2004 is given in Annexure-B to these consolidated financial statements.

**10.6 Particulars of loans and advances to executives, directors, associated companies etc.**

	Balance as at December 31, 2004	Maximum amount of advances granted during the year (Rupees in '000)
Debts due by directors or executives of the Group or any of them either severally or jointly with any other persons	35,693	39,501
Debts due by companies or firms in which the directors of the Group are interested as directors, partners or in the case of private, companies as members	1,500,000	1,500,000
Debts due by controlled firms, managed modarabas and other associated undertakings	-	-

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	Note	2004	2003
		(Rupees in '000)	
<b>11. OTHER ASSETS</b>			
Income / Mark-up accrued in local currency		<b>6,995,502</b>	6,628,877
Income / Mark-up accrued in foreign currency		<b>3,107,693</b>	4,952,181
		<b>10,103,195</b>	11,581,058
Suspense accounts		440,390	389,242
Haj Refund		132,901	152,878
Stationery and stamps on hand		62,240	54,225
Advances, deposits, advance rent and other prepayments		491,298	182,297
Receivable from staff retirement funds		755,897	491,542
Unrealized gain on forward foreign exchange contracts		62,998	94,794
Others		463,019	421,932
		<b>12,511,938</b>	13,367,968
Provision held against other assets	11.2	<b>(3,052,803)</b>	(3,299,708)
Unrealized mark-up held in suspense account		<b>(4,954,602)</b>	(6,821,226)
		<b>4,504,533</b>	3,247,034
<b>11.2 Provision against other assets</b>			
Opening balance		3,299,708	3,927,200
Exchange adjustments		4,415	(588)
Charge for the year		14,196	190,956
Reversals		(61,700)	(202,319)
Transfer		19,881	107,534
Amounts written off		(223,697)	(723,075)
Closing balance		<b>3,052,803</b>	3,299,708
<b>12. FIXED ASSETS</b>			
Capital work-in-progress		244,403	109,993
Property and equipment	12.1	<b>4,859,251</b>	3,774,997
		<b>5,103,654</b>	3,884,990

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**12.1 Property and equipment**

	Cost / Revaluation				Accumulated depreciation				Net book value at December 31, 2004	Annual rate of depreciation	
	At January 1, 2004	Additions/ (deletions)	Revaluation adjustment/ Revaluation surplus/ (deficit)	Other adjustments*	At December 31, 2004	At January 1, 2004	Charge for the year/ (depreciation on deletion)	Reversal due to revaluation/ Other adjustments*			At December 31, 2004
(Rupees in '000)											
<b>Owned</b>											
Freehold land	404,384	-	-	3,810	408,194	-	-	-	-	408,194	-
Leasehold land	2,266,357	10,456	-	8,795	2,285,608	-	90,495	* 60,714	151,209	2,134,399	1 - 3.33
Buildings on freehold land	119,109	1,035,012 (19,316)	-	7,263	1,142,068	2,446	19,413 (1,168)	* 1,467	22,158	1,119,910	5
Buildings on leasehold land	386,771	9,466	-	64,500	460,737	4,536	31,964	* 35,542	72,042	388,695	5
Furniture and fixtures	589,283	31,370 (2,240)	-	(94,636)	523,777	516,808	34,900 (1,484)	* (90,290)	459,934	63,843	10
Electrical, office and computer equipment	1,115,079	408,929 (55,101)	-	(6,500)	1,462,407	733,060	217,031 (41,226)	* (60,950)	847,915	614,492	20-30
Vehicles	227,807	37,218 (8,253)	-	73,078	329,850	129,501	47,490 (6,557)	* 33,745	204,179	125,671	20
<b>Assets held under finance lease</b>											
Vehicles	118,026	3,152	-	(115,811)	5,367	65,468	5,627	* (69,775)	1,320	4,047	20
<b>2004</b>	<b>5,226,816</b>	<b>1,535,603 (84,910)</b>	<b>-</b>	<b>(59,501)</b>	<b>6,618,008</b>	<b>1,451,819</b>	<b>446,920 (50,435)</b>	<b>(89,547)</b>	<b>1,758,757</b>	<b>4,859,251</b>	
<b>2003</b>	<b>4,965,856</b>	<b>415,807 (32,318)</b>	<b>(624,757) 991,171</b>	<b>(488,943)</b>	<b>5,226,816</b>	<b>2,183,988</b>	<b>378,278 (24,862)</b>	<b>(624,757) 460,828</b>	<b>1,451,819</b>	<b>3,774,997</b>	

\* This includes write-off / reclassifications of fixed assets based on an exercise being carried out by the management of United Bank Limited to reconcile their subsidiary records of the fixed assets with the ledger balances. This exercise is expected to be completed shortly.

**12.2 Revaluation of domestic properties**

The properties of the Bank were last revalued by independent professional valuers as at December 31, 2003. The last revaluation was carried out by M/s. Pirsons Chemicals Engineering (Private) Limited and M/s. Consultancy Support Services on the basis of professional assessment of present market values and resulted in a surplus of Rs. 991 million. Had there been no revaluation, the carrying amount of revalued assets would have been as follows :

		(Rupees in '000)
	Freehold land	4,454
	Leasehold land	28,091
	Building on leasehold land	176,077
	Building on freehold land	8,076
<b>12.3</b>	Carrying amount of temporarily idle property	<b>157,774</b>
<b>12.4</b>	The gross carrying amount of fully depreciated assets that are still in use:	
	Furniture & fixture	6,219
	Electrical office and computer equipments	80,530
	Vehicles	53,867
<b>12.5</b>	The carrying amount of property, plant equipment retired from active use and held for disposal:	
	Furniture & fixture	100
	Electrical office and computer equipments	800

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**12.6 Disposal of fixed assets during the year**

	Cost Price	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of Disposal	Particulars of Buyers
(Rupees in '000)						
<b>Furniture &amp; Fixture</b>						
Items having book value of less than Rs 250,000 and cost of less than Rs. 1,000,000	2,240	1,484	756	1,057	Retirement Benefit	Various
<b>Electrical, office &amp; Computer Equipment</b>						
Items having book value of more than Rs 250,000 and cost of more than Rs 1,000,000	-	-	-	-	-	-
Items having book value of less than Rs 250,000 and cost of less than Rs 1,000,000	7,860	6,888	972	11,856	Retirement Benefit	Various
Write-off	47,241	34,338	12,903	-	-	-
	55,101	41,226	13,875	11,856		
<b>Vehicles</b>						
Toyota Corolla	634	634	-	63	Retirement Benefit	Ali Abbas Jamal (Ex-executive)
Toyota Corolla	634	634	-	63	Negotiation	Saqib Mukhtar (Ex-executive)
Toyota Corolla	629	629	-	63	Negotiation	Mian Shareef (Ex-executive)
Toyota Corolla	619	619	-	62	Retirement Benefit	Saeed Ahmed (Ex-executive)
Toyota Corolla	594	594	-	59	Retirement Benefit	Shaikh Tahir Azmat (Ex-executive)
Toyota Corolla	769	538	231	231	Negotiation	Jeeva Haroon (Ex-executive)
Toyota Corolla	769	487	282	333	Negotiation	Ayub Hamid (Ex-executive)
Toyota Corolla	780	780	-	78	Retirement Benefit	Khalid Usmani (Ex-executive)
Toyota Corolla	849	538	311	363	Negotiation	Col. Mohammad Amin (Ex-executive)
Suzuki Khyber	254	254	-	25	Retirement Benefit	Jawed Shaikh (Ex-employee)
Suzuki Khyber	254	254	-	25	Retirement Benefit	Abu Muzaffar (Ex-employee)
Suzuki Khyber	279	279	-	32	Negotiation	Sajjad Asghar (Ex-executive)
Items having book value of more than Rs 250,000 and cost of more than Rs 1,000,000						
Toyota Corolla	1,189	317	872	911	Negotiation	Amar Zafar Khan (Ex-executive)
Items having book value of less than Rs 250,000 and cost of less than Rs 1,000,000	-	-	-	-	-	-
	8,253	6,557	1,696	2,308		
<b>Freehold Land</b>						
Birmingham	8,865	669	8,196	18,630	Negotiation	
Sheffield	8,015	374	7,642	24,520	Negotiation	
Bradford	2,436	126	2,310	2,033	Negotiation	
	19,316	1,168	18,148	45,184		
<b>Total</b>	<b>84,910</b>	<b>50,435</b>	<b>34,475</b>	<b>60,405</b>		

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	Note	2004	2003
(Rupees in '000)			
<b>13. TAXES RECOVERABLE AND DEFERRED TAX ASSET</b>			
Taxes recoverable	13.1	<u>32,607</u>	<u>262,317</u>
Deferred taxation - net	13.2	<u>5,194,892</u>	<u>5,486,357</u>

**13.1** Income tax assessments of United Bank Limited have been finalized up to the assessment year 2002-2003 for domestic and Azad Kashmir Branches. On the basis of these assessments determined assessed losses amount to Rs. 22,588 million. Refunds determined as a result of finalized assessments amounted to Rs. 172.548 million, which were received during the year.

While finalizing the assessments, the tax authorities made add backs on suspended mark up on non-performing loans. This treatment was contested by the bank in appeals before the Income Tax Appellate Tribunal (ITAT), which was decided in bank's favour. However, in respect of assessment years 1998-99 to 2001-02, the Large Tax Payers Unit and the bank filed reference applications on the above issue, which were dismissed by the ITAT. The Bank has filed a reference application with High Court of Sindh against the order issued by ITAT which is currently pending.

	2004	2003
(Rupees in '000)		
<b>13.2</b> The balances of deferred taxation comprises:		
Deductible temporary differences		
on recognized tax losses	<u>4,599,000</u>	7,195,080
on other deductible differences	<u>677,717</u>	<u>(1,294,281)</u>
	<u>5,276,717</u>	5,900,799
	<u>5,276,717</u>	5,900,799
Taxable temporary differences on		
surplus on revaluation of fixed assets	<u>(68,143)</u>	<u>(72,325)</u>
surplus on revaluation of investments	<u>(13,682)</u>	<u>(342,117)</u>
	<u>(81,825)</u>	<u>(414,442)</u>
	<u>5,194,892</u>	<u>5,486,357</u>

United Bank Limited has an aggregate amount of Rs. 13,733 million available as carried forward tax losses as at 31 December 2004. Out of this amount the management has recognised deferred tax debit balance on losses amounting to Rs. 12,645 million. This represents management's estimate of probable benefit which is expected to be realized in future years in the form of reduced tax liability as the bank would be able to set-off the profits earned in these years against losses carried forward from prior years.

**14. CONTINGENT ASSETS**

There were no contingent assets as at the balance sheet date.

	2004	2003
(Rupees in '000)		
<b>15. BILLS PAYABLE</b>		
In Pakistan	<u>3,682,779</u>	2,800,521
Outside Pakistan	<u>152,776</u>	190,748
	<u>3,835,555</u>	<u>2,991,269</u>

**16. BORROWINGS FROM FINANCIAL INSTITUTIONS**

In Pakistan	<u>12,539,208</u>	7,025,097
Outside Pakistan	<u>97,828</u>	2,498,097
	<u>12,637,036</u>	<u>9,523,194</u>

**16.1 Particulars of borrowings from financial institutions**

In local currency	<u>12,539,208</u>	7,025,097
In foreign currencies	<u>97,828</u>	2,498,097
	<u>12,637,036</u>	<u>9,523,194</u>



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	2004	2003
	(Rupees in '000)	
<b>16.2 Details of borrowings from financial institutions</b>		
<b>Secured</b>		
Borrowings from financial institutions	767,830	2,170,152
<b>Borrowings from the State Bank of Pakistan</b>		
Export Refinance	5,988,377	4,325,125
Locally Manufactured Machinery	9,872	18,299
	5,998,249	4,343,424
Repurchase agreement borrowings	4,629,607	2,680,977
	11,395,686	9,194,553
<b>Unsecured</b>		
Call borrowings	526,260	-
Overdrawn nostro accounts	269,303	328,641
Others	445,787	-
	12,637,036	9,523,194

**16.3** United Bank Limited has entered into agreements with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with SBP.

**16.4** These borrowings carry mark up at rates ranging from 2.25% to 5.35% (2003: 0.2% to 7.5%) per annum.

**17. DEPOSITS AND OTHER ACCOUNTS**

Note      2004      2003  
(Rupees in '000)

Customers		
Fixed deposits	45,581,700	37,252,204
Savings deposits	119,884,807	103,865,358
Sundry deposits	3,161,327	2,728,107
Margin deposits	1,218,963	1,212,276
Current accounts - remunerative	744,493	565,369
Current accounts - non-remunerative	66,333,989	43,214,311
	236,925,279	188,837,625
Financial Institutions		
Remunerative deposits	-	8,881
Non-remunerative deposits	129,161	985,938
	129,161	994,819
	237,054,440	189,832,444

**17.1 Particulars of deposits and other accounts**

In local currency	190,334,868	152,196,723
In foreign currencies	46,719,572	37,635,721
	237,054,440	189,832,444

**18. SUB-ORDINATED LOAN - UNSECURED**

Term Finance Certificates - 1st issue	18.1	2,000,000	-
Term Finance Certificates - 2nd issue	18.2	1,500,000	-
		3,500,000	-

**18.1** This represents listed Term Finance Certificate (TFC's) issued by United Bank Limited in June 2004 having tenor of eight years. The liability of the Bank is subordinated as to the payment of principal and profit to all other indebtedness of the Bank (including deposits) and is not redeemable before maturity without approval of State Bank of Pakistan. The rate of markup on these TFCs is 8.45% per annum payable semi-annually. The principal amount representing 0.25% of the face value of these TFCs is redeemable semi-annually in the first 78 months and the balance is redeemable in three equal semi-annual installments of 33.25% each starting from the 84th month.

**18.2** This represents the Pre-IPO (private placement) amount received by the Bank in respect of the second issue of TFCs. The total issue comprises of Rs. 2,000 million out of which Rs. 1,500 million has been received from institutional investors under Pre-IPO. The remaining amount of Rs. 500 million will be raised through the Initial Public Offer (IPO). The issue of these TFCs has been approved by the State Bank of Pakistan and the approval of Karachi Stock Exchange and Securities Exchange Commission of Pakistan is awaited. The issue is subordinated as to the payment of principal and profit to all other indebtedness of the bank (including deposits) and will not be redeemable before maturity without approval of State Bank of Pakistan. The rate of mark-up on these TFC's would be fixed at 135 basis points above trading yield of 8-year Pakistan Investment Bonds as quoted on Reuters page PKRV on the date of publication of abridged prospectus and will be payable semi-annually. These TFCs are redeemable by 2013.

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**19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

These represent finance leases entered into with leasing companies for lease of vehicles. The rates of interest used as discounting factor ranges from 12% to 13.5% (2003: 12% to 13.5%) per annum. There is no financial restriction in the lease agreements. The amount of future minimum lease payments, present value of minimum lease payments and periods during which they become due are as follows:

	<b>2004</b>		
	<b>Minimum lease payments</b>	<b>Finance charges for future period</b>	<b>Principal outstanding</b>
	(Rupees in '000)		
Not later than one year	997	203	794
Later than one year and not later than five years	2,868	356	2,512
	<u>3,865</u>	<u>559</u>	<u>3,306</u>

	<b>2003</b>		
	<b>Minimum lease payments</b>	<b>Finance charges for future period</b>	<b>Principal outstanding</b>
	(Rupees in '000)		
Not later than one year	42,548	2,841	39,707
Later than one year and not later than five years	291	3	288
	<u>42,839</u>	<u>2,844</u>	<u>39,995</u>

At the end of lease period, the ownership of assets shall be transferred to the Group on payment of residual value. The cost of operating and maintaining the leased assets is borne by the Group. These are secured by demand promissory notes and security deposits and the vehicles which have been obtained under leasing arrangements.

	<b>Note</b>	<b>2004</b>	<b>2003</b>
		(Rupees in '000)	
<b>20. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		818,789	488,087
Mark-up / return / interest payable in foreign currency		78,112	44,681
Branch adjustment account		1,459,558	2,319,380
Accrued expenses		662,047	432,830
Provision for off balance sheet obligations	20.1	370,544	749,825
Payable under severance scheme		47,222	47,991
Unrealised loss on derivative financial instruments - net	20.2	13,077	-
Unearned commission		75,671	-
Others		122,740	645,454
		<u>3,647,760</u>	<u>4,728,248</u>
<b>20.1 Provision against off balance sheet obligations</b>			
Opening balance		749,825	257,825
Charge during the year		-	492,000
Transfer during the year		(379,281)	-
		<u>370,544</u>	<u>749,825</u>
		<b>Contract/ Notional amount</b>	<b>Fair value</b>
<b>20.2 Derivative financial Instruments</b>		(Rupees in '000)	
Unrealised loss on:			
Interest rate swaps		2,840,000	6,546
Forward rate agreements		115,000	51
Equity futures		122,864	6,480
		<u>3,077,864</u>	<u>13,077</u>

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	2004	2003
	(Rupees in '000)	
<b>21. DEFERRED LIABILITIES</b>		
Provision for post retirement medical benefit	1,076,874	872,331
Provision for gratuity - overseas	78,306	82,905
Provision for compensated absences	<u>1,036,000</u>	<u>579,823</u>
	<u><b>2,191,180</b></u>	<u><b>1,535,059</b></u>
<b>21.1</b>	During the year, the management of United Bank Limited increased the entitlement of employees in respect of leaves prior to their retirement from 180 days to 365 days. This increase is applicable to employees retiring prior to 2008. An amount of Rs 220 million has been charged in these financial statements as a result of this increase in entitlement based on an actuarial advice.	
	2004	2003
	(Rupees in '000)	
<b>22. SHARE CAPITAL</b>		
<b>22.1 Authorised Capital</b>		
	2004	2003
	<u>1,030,000,000</u>	<u>1,030,000,000</u>
	Ordinary shares of Rs 10 each	
	<u><b>10,300,000</b></u>	<u>10,300,000</u>
<b>22.2 Issued, subscribed and paid-up capital</b>		
Fully Paid-up ordinary shares of Rs 10 each		
	2004	2003
	<u>518,000,000</u>	<u>518,000,000</u>
	Issued for cash	
	<u><b>5,180,000</b></u>	<u>5,180,000</u>
<b>22.3 Major shareholders (holding more than 5% of total paid-up capital)</b>		
	2004	
<b>Name of shareholder</b>	<b>Number of shares held</b>	<b>Percentage of shareholding</b>
State Bank of Pakistan	252,194,000	48.69
Abu Dhabi Group	132,090,000	25.50
Best Way Group	132,090,000	25.50
	<u>516,374,000</u>	<u>99.69</u>
	Note	
	2004	2003
	(Rupees in '000)	
<b>23. SURPLUS ON REVALUATION OF ASSETS</b>		
Surplus arising on revaluation of fixed assets - net of tax:		
Fixed assets	23.1 <b>2,673,351</b>	2,767,565
Securities	23.2 <b>326,808</b>	1,044,034
	<u><b>3,000,159</b></u>	<u>3,811,599</u>
<b>23.1 Surplus on revaluation of fixed assets</b>		
Surplus on revaluation of fixed assets at January 01	<b>2,839,890</b>	1,941,118
Revaluation of fixed assets during the year	<b>-</b>	991,171
	<u><b>2,839,890</b></u>	<u>2,932,289</u>
Transferred to unappropriated profit in respect of incremental depreciation	<b>(94,214)</b>	(73,096)
Related deferred tax liability of incremental depreciation charged during the year	<b>(4,182)</b>	(19,303)
	<u><b>2,741,494</b></u>	<u>2,839,890</u>
Less: Related deferred tax liability on:		
Revaluation as on January 1,	<b>72,325</b>	912,327
Adjustment in respect of reduction in future tax rates	<b>-</b>	(116,119)
Revaluation during the year	<b>-</b>	(282,948)
Incremental depreciation charged on related assets	<b>(4,182)</b>	(19,303)
Adjustment to lease hold land recognised in prior years	<b>-</b>	(421,632)
	<u><b>68,143</b></u>	<u>72,325</u>
	<u><b>2,673,351</b></u>	<u>2,767,565</u>

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	2004	2003
	(Rupees in '000)	
<b>23.2 Surplus on revaluation of securities</b>		
Market Treasury Bills	(10,837)	(18,659)
Federal Investment Bonds	-	25,869
Pakistan Investment bonds	60,512	1,109,496
Term Finance Certificates	284,320	11,368
Quoted securities	6,495	258,077
	<u>340,490</u>	<u>1,386,151</u>
Related deferred tax liability	(13,682)	(342,117)
	<u><u>326,808</u></u>	<u><u>1,044,034</u></u>
<b>24. CONTINGENCIES AND COMMITMENTS</b>		
<b>24.1 Direct credit substitutes</b>		
Contingent liabilities in respect of guarantees given favouring:		
Government	896,165	1,151,737
Banking companies and other financial institutions	1,428,103	1,371,128
Others	1,896,441	1,947,705
	<u><u>4,220,709</u></u>	<u><u>4,470,570</u></u>
<b>24.2 Transaction-related contingent liabilities</b>		
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring:		
Government	7,477,242	5,152,684
Banking companies and other financial institutions	201,946	471,135
Others	4,051,297	2,375,116
	<u><u>11,730,485</u></u>	<u><u>7,998,935</u></u>
<b>24.3 Trade-related contingent liabilities</b>		
Contingent liabilities in respect of letters of credit opened favouring:		
Government	271,468	14,549,668
Banking companies and other financial institutions	216,960	71,705
Others	57,029,007	24,624,036
	<u><u>57,517,435</u></u>	<u><u>39,245,409</u></u>
<b>24.4 Other contingencies</b>		
Claims against the Group not acknowledged as debts	<u><u>6,115,838</u></u>	<u><u>8,759,029</u></u>
<b>24.5 Commitments in respect of forward lending</b>		
Commitments to extend credit	<u><u>1,759,776</u></u>	<u><u>2,536,472</u></u>
<b>24.6 Commitments in respect of forward foreign exchange contracts</b>		
Sale	<u><u>24,663,126</u></u>	<u><u>16,937,239</u></u>
Purchase	<u><u>21,497,190</u></u>	<u><u>16,023,614</u></u>
<b>24.7 Commitments in respect of operating lease</b>		
Within one year	-	16,887
Over five years	-	8,208
	<u><u>-</u></u>	<u><u>25,095</u></u>
<b>24.8 Other commitments</b>		
Repo transactions	<u><u>4,643,873</u></u>	<u><u>2,687,274</u></u>
Capital commitments	<u><u>229,050</u></u>	<u><u>844,195</u></u>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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**25. CHANGE IN ACCOUNTING POLICY**

Restated proforma information as referred to in note 5.3 of the financial statements is presented below:

**Extract of profit and loss account**

	For the year ended		Proforma For the year ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	------(Rupees in '000)-----			
Profit after taxation for the year before incorporating the effect of change in accounting policy	3,819,753	2,817,886	3,819,753	2,817,886
Cumulative effect of change in accounting policy	918	-	(8,268)	11,482
Profit after taxation for the year	<u>3,820,671</u>	<u>2,817,886</u>	<u>3,811,485</u>	<u>2,829,368</u>

**Extract of statement of unappropriated profit**

	For the year ended		Proforma For the year ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	------(Rupees in '000)-----			
Opening balance of unappropriated profit	1,619,903	(722,387)	1,619,903	(722,387)
Effect of change in accounting policy - net of tax	-	-	9,186	-
Opening balance of unappropriated profit - restated	1,619,903	(722,387)	1,629,089	(722,387)
Profit after taxation for the year	3,820,671	2,817,886	3,811,485	2,829,368
Share of minority interest	(43,877)	(21,568)	(43,877)	(21,568)
Proposed cash dividend for 2003	-	(1,165,500)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	94,214	73,096	94,214	73,096
Transfer to statutory reserve	(740,309)	(527,124)	(740,309)	(529,420)
Final cash dividend	(1,165,500)	1,165,500	(1,165,500)	-
	<u>3,585,102</u>	<u>1,619,903</u>	<u>3,585,102</u>	<u>1,629,089</u>

**25.1** The proforma information has been prepared after taking into account the change in accounting policy relating to recognition of dividend declared subsequent to the year end. The change in accounting policy is disclosed in note 5.9 to the financial statements and is reflected in the statement of changes in equity.

**26. MARK-UP / RETURN / INTEREST EARNED**

	2004	2003
	(Rupees in '000)	
On loans and advances	6,335,650	4,444,333
On investments in		
- Securities	2,833,971	4,221,386
- Associates	18,344	4,864
	2,852,315	4,226,250
On deposits with financial institutions	139,006	394,729
On securities purchased under resale agreements	311,627	180,647
Discount income	21,965	23,535
	<u>9,660,563</u>	<u>9,269,494</u>

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	2004	2003
	(Rupees in '000)	
<b>27. MARK-UP / RETURN / INTEREST EXPENSED</b>		
On deposits	1,510,998	1,742,001
On securities sold under repurchase agreements	107,041	88,962
On other short - term borrowings	142,388	62,738
On long - term borrowings	52	85
Discount expense	39,998	37,393
	<u>1,800,477</u>	<u>1,931,179</u>
<b>28. DIVIDEND INCOME / GAIN ON SALE OF INVESTMENTS</b>		
Dividend income	155,215	82,233
Gain on sale of investments	947,945	1,976,999
	<u>1,103,160</u>	<u>2,059,232</u>
<b>29. OTHER INCOME</b>		
Rent on properties	81,181	84,770
Charges recovered from customers	904,461	399,924
Net gain on sale of fixed assets	25,930	12,882
Liabilities no longer required written back	-	109,668
Others	-	136,586
	<u>1,011,572</u>	<u>743,830</u>
<b>30. ADMINISTRATIVE EXPENSES</b>		
<b>Personnel Cost</b>		
Salaries, allowances, etc.	3,609,436	3,255,200
Charge for compensated absences	546,216	481,809
Medical expenses	220,025	189,401
Contribution to defined contributory plan	74,463	50,460
Charge for defined benefit obligations	50,986	182,573
	<u>4,501,126</u>	<u>4,159,443</u>
<b>Premises Cost</b>		
Rent, taxes, insurance, electricity, etc.	634,282	627,730
Depreciation	141,872	119,916
Repairs and maintenance	50,038	25,741
	<u>826,192</u>	<u>773,387</u>
<b>Other Operating Cost</b>		
Depreciation	305,048	258,362
Advertisement and publicity	227,234	99,109
Communications	231,072	163,043
Outsourced service charges including sales commission	145,470	130,177
Stationery and printing	130,743	114,659
Legal and professional charges	107,368	82,942
Banking service charge	84,911	61,137
Travelling	84,566	60,229
Cash transportation charges	75,878	69,359
Sub-ordinated debt issuance costs	62,509	-
Repairs and maintenance	67,983	57,156
Office running expenses	37,104	28,521
Entertainment	35,407	29,499
Vehicle expenses	31,716	30,120
Cartage, freight and conveyance	29,507	25,908
Auditors' remuneration	36,060	40,473
Training and seminar	19,293	11,869
Brokerage expenses	14,760	11,917
Computer expenses	37,051	41,676
Subscriptions	15,366	12,882
Finance charges on leased assets	2,966	10,320
Non-executive directors' fee and allowances	5	41
Amortisation of deferred cost	-	261,769
New product cost	2,615	10,572
Miscellaneous expenses	142,119	94,669
	<u>1,926,751</u>	<u>1,706,409</u>
	<u>7,254,069</u>	<u>6,639,239</u>

30.1

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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**30.1 Auditors' remuneration**

	2004			2003		
	A. F. Ferguson & Co.	Taseer Hadi Khalid & Co.	Total	Ford Rhodes Sidat Hyder & Co.	A. F. Ferguson & Co.	Total
	(Rupees in '000)					
Audit fee	3,670	3,670	7,340	3,670	3,670	7,340
Fee for audit of EPZ branch	56	-	56	-	56	56
Special certifications and sundry advisory services	574	630	1,204	680	630	1,310
Out of pocket expenses	1,635	1,635	3,270	860	898	1,758
	<u>5,935</u>	<u>5,935</u>	<u>11,870</u>	<u>5,210</u>	<u>5,254</u>	<u>10,464</u>

In addition to the above Rs. 11.265 million (2003: Rs. 15.909 million) was paid by other overseas branches to various audit firms in respect of audit assignments conducted in those countries and Rs. 12.925 million (2003: Rs. 14.1 million) was paid to the auditors of subsidiaries.

	Note	2004 (Rupees in '000)	2003 (Rupees in '000)
<b>31. OTHER PROVISIONS / WRITE OFFS / (REVERSALS)</b>			
Reversal against other assets - net	11.2	(47,504)	(11,363)
Provision against off balance sheet obligations	20.1	-	492,000
Other provisions/write off		3,135	71,203
		<u>(44,369)</u>	<u>551,840</u>

**32. OTHER CHARGES**

Penalty paid to SBP		<u>10,456</u>	<u>5,501</u>
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	2004				2003
	Overseas	Azad Kashmir	Domestic	Total	Total
	(Rupees in '000)				
<b>33. TAXATION</b>					
Current tax	190,300	46,547	51,025	287,872	199,735
Prior year tax	25,009	256,351	-	281,360	229,384
Deferred taxation	152,197	16,051	451,652	619,900	1,274,978
<b>2004</b>	<u>367,506</u>	<u>318,949</u>	<u>502,677</u>	<u>1,189,132</u>	<u>1,704,097</u>
<b>2003</b>	<u>431,822</u>	<u>243,831</u>	<u>1,028,444</u>	<u>1,704,097</u>	

**33.1** Income tax assessments of United Bank Limited have been finalized up to the assessment year 2002-2003 (financial year ended December 31, 2001) both for domestic and Azad Kashmir operations. The domestic assessments resulted in income tax refunds amounting to Rs. 172.548 million, which were received during the year. Return for the year 2004 (financial year ended December 31, 2003) was filed for which refunds amounting to Rs. 301.139 million have been determined.

**33.2 Relationship between tax expense and accounting profit**

	2004 (Rupees in '000)	2003 (Rupees in '000)
Accounting profit for the year	<u>5,009,803</u>	<u>4,521,983</u>
Tax on income @ 41 % (2003: 44%)	2,054,019	1,989,673
Tax effect of items that are not included in determining taxable profit / taxable at reduced rate	(81,067)	80,481
Deferred tax assets recognised on assessed losses / temporary differences (net of reversal)	(1,278,714)	(684,000)
Reversal of deferred tax liability on incremental depreciation	(4,182)	(19,303)
Tax charge of overseas branches of United Bank Limited	217,716	107,862
Prior year tax charge	281,360	229,384
<b>Tax charge</b>	<u>1,189,132</u>	<u>1,704,097</u>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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	2004	2003
	(Rupees in '000)	
<b>34. BASIC/ DILUTED EARNINGS PER SHARE</b>		
Profit after taxation for the year	<u>3,820,671</u>	<u>2,817,886</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>518,000,000</u>	<u>518,000,000</u>
	(Rupees)	
Basic / Diluted earnings per share	<u>7.38</u>	<u>5.44</u>
	2004	2003
	(Rupees in '000)	
<b>35. CASH AND CASH EQUIVALENTS</b>		
Cash and balances with treasury banks	23,945,146	17,335,294
Balances with other banks	<u>24,174,064</u>	<u>18,255,986</u>
	<u>48,119,210</u>	<u>35,591,280</u>
	2004	2003
	(Number)	
<b>36. STAFF STRENGTH</b>		
Total number of employees at the end of the year	<u>9,287</u>	<u>8,881</u>



**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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**37. EMPLOYEE BENEFITS**

**United Bank Limited**

**37.1 Defined Benefit Plans - General description**

The United Bank Limited operates a funded pension scheme established in 1986. The Bank also operates a funded gratuity scheme for those employees who have not opted for the pension scheme. Further, the Bank also operates a contributory benevolent fund scheme and provides post retirement medical to eligible retired employees. The benevolent fund plan and post retirement medical plan cover all the regular employees of the Bank.

A portion of actuarial gains and losses is recognized if the net cumulative unrecognized actuarial gains and losses at the end of previous reporting period exceed the "corridor" defined as greater of:

- (a) 10% of the present value of the defined benefit obligation at that date (before deducting plan assets), and
- (b) 10% of the fair values of any plan assets at that date.

These limits are calculated and applied separately for each defined benefit scheme.

**37.2 Principal actuarial assumptions**

The latest actuarial valuation was carried out as at December 31, 2004. Projected unit credit actuarial cost method, using following significant assumptions was used for the valuation of the defined benefit scheme:

Discount rate	8%
Expected rate of return on plan assets	8%
Expected rate of salary increase	8%
Expected rate of pension increase	3%

**37.3 Reconciliation of (receivable from) / payable to defined benefit plan**

	<b>2004</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	(Rupees in '000)			
Present value of defined benefit obligations	4,027,184	292,738	719,317	1,256,633
Fair value of any plan assets	(6,496,932)	(278,261)	(698,839)	-
Net actuarial gains or (losses) not recognized	2,084,894	(15,786)	(21,090)	(179,759)
(Receivable) / payable	<u>(384,854)</u>	<u>(1,309)</u>	<u>(612)</u>	<u>1,076,874</u>
	<b>2003</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	(Rupees in '000)			
Present value of defined benefit obligations	3,363,652	279,509	582,699	1,064,831
Fair value of any plan assets	(5,985,788)	(373,367)	(607,327)	-
Net actuarial gains or (losses) not recognized	2,471,723	46,591	47,810	(26,587)
Transition obligation not recognized	-	-	(24,882)	(165,913)
(Receivable) / payable	<u>(150,413)</u>	<u>(47,267)</u>	<u>(1,700)</u>	<u>872,331</u>

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**37.4 Movement in (receivable from) / payable to defined benefit plan**

	2004			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical
	(Rupees in '000)			
Opening balance	(150,413)	(47,267)	(1,700)	872,331
Charge for the year	(278,527)	20,958	30,081	247,663
Contribution to fund made during the year	44,086	25,000	(28,993)	-
Benefits paid	-	-	-	(43,120)
Closing balance	<u>(384,854)</u>	<u>(1,309)</u>	<u>(612)</u>	<u>1,076,874</u>
	2003			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical
	(Rupees in '000)			
Opening balance	-	(336)	(317)	655,313
Charge for the year	(150,413)	12,533	36,502	257,548
Refund from the fund during the year	-	(59,464)	(37,885)	-
Benefits paid	-	-	-	(40,530)
Closing balance	<u>(150,413)</u>	<u>(47,267)</u>	<u>(1,700)</u>	<u>872,331</u>

**37.5 Charge for defined benefit plan**

	2004			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical
	(Rupees in '000)			
Current service cost	39,206	28,173	15,877	17,860
Interest cost	201,819	16,771	34,962	63,890
Expected return on assets	(349,266)	(23,145)	(36,440)	-
Actuarial gains	(170,286)	(841)	-	-
Amortization of transitional obligations	-	-	24,882	165,913
Employees' contribution	-	-	(9,200)	-
	<u>(278,527)</u>	<u>20,958</u>	<u>30,081</u>	<u>247,663</u>
	2003			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical
	(Rupees in '000)			
Current service cost	36,481	26,253	14,774	17,034
Interest cost	219,029	17,917	42,531	74,601
Expected return on assets	(367,936)	(27,003)	(36,806)	-
Actuarial gains	(37,987)	(4,634)	-	-
Amortization of transitional obligations	-	-	24,883	165,913
Prior year adjustment of transitional obligation	-	-	(8,880)	-
	<u>(150,413)</u>	<u>12,533</u>	<u>36,502</u>	<u>257,548</u>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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**37.6 Actual return on plan assets**

Among the defined benefit plans, currently the pension, gratuity and benevolent fund plans are funded. The actual return earned on the assets during the year 2004 are:

Pension fund	Rs. 883.357 million
Benevolent fund	Rs. 97.107 million
Gratuity	Rs. 24.168 million

**37.7 United National Bank Limited Pension and Life assurance scheme for U.K Employees.**

As part of the share holder agreement ("The agreement") signed on November 9, 2001 between the company and the share holders of United Bank Limited and National Bank of Pakistan, it was agreed that the company may participate as an associated employer in the United Bank Limited Pension and Life assurance Scheme ("The Scheme") with effect from the completion of transfer of the businesses (November 19, 2001) ("The Completion Date"). The scheme provides benefits based on final pensionable salary.

Under the terms of the Agreement, the company is responsible for the funding requirements of the active members whose employment were transferred to the company on the completion date and for any new members admitted to the scheme after this date. United Bank Limited remains responsible for the funding of pensioners and deferred members as at the completion date.

No new members have been admitted to the scheme in the year ended December 31, 2004.

The assets of the company are held separate to those of the bank, being invested with insurance companies. Contributions to the scheme are charged to profit and loss account so as to spread the cost of pension over employees working lives with the bank. The charge for the Scheme for the year was GBP 91,227. No Directors were members of the defined benefit scheme, during the year or as at December 31, 2004.

The contributions are determined by qualified actuary on the basis of triennial valuations using projected Unit Credit Method. The most recent valuation was at January 1, 2002. The assumptions that have the most significant effect on the results of the valuations are those relating to the rate of return on the investments, rates of increase in salaries and price inflation. It was assumed that the investment returns would average 6.5% per annum, that salary increases would average 5% per annum and that the rate of inflation would be 2.5% per annum.

The most recent actuarial valuation showed that the market value of the scheme assets was £ 4,174,000 and represented 102% of the benefits that had accrued to members after allowing for expected future increases in earnings. Until the next valuation the contribution of the bank is recommended to reduce from 24.5% to 18.2% from 2004 and that of the employees to remain at 4%.

Contributions were made to other schemes on behalf of employees totaling £ 15,483. Of this £ 2,793 was made on behalf of the directors of the company.

**38. OTHER EMPLOYEE BENEFITS**

**38.1 Defined contribution plan**

United Bank Limited operates a contributory provident fund scheme for 5,294 (2003: 4,462) employees who are not in the pension scheme. The employer and employee both contribute 8.33% of the basic salaries to the funded scheme every month.

**38.2 Employee compensated absences**

The liability of United Bank Limited in respect of long-term employee compensated absences is determined based on actuarial valuation carried out using Projected Unit Credit Method. The liability of the Bank as per the latest actuarial valuation carried out as at December 31, 2004 amounted to Rs. 1,036 million which has been fully provided by the Bank. The charge for the year in respect of these absences amounted to Rs. 546 million which is shown in Note 30 to these financial statements.

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**39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief Executive		Directors		Executives	
	2004	2003	2004	2003	2004	2003
	(Rupees in '000)					
Fees	-	-	5	41	-	-
Managerial remuneration	12,667	10,020	-	-	143,699	91,021
Charge for defined benefit plan	528	835	-	-	5,431	5,923
Contribution to defined contribution plan	1,056	836	-	-	11,025	7,342
Rent and house maintenance	1,266	1,116	-	-	58,655	25,119
Utilities	664	996	-	-	17,157	8,695
Medical	656	1,347	-	-	13,012	8,394
Reimbursement of children's educational fees	128	168	-	-	-	-
Vehicle running, maintenance and others	471	465	-	-	17,569	16,329
	<u>17,436</u>	<u>15,783</u>	<u>5</u>	<u>41</u>	<u>266,548</u>	<u>162,823</u>
Number of persons	<u>2</u>	<u>1</u>	<u>3</u>	<u>5</u>	<u>158</u>	<u>91</u>

The Chief Executive and certain executives are provided with free use of the Group's maintained cars and household equipments.

The particulars in this note do not include particulars of Chief Executive and Executives employed by subsidiaries.

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2004**

**40. MATURITIES OF ASSETS AND LIABILITIES**

	2004				
	Total	Upto three months	Over 3 months to one year	Over one year To five years	Over five Years
	(Rupees in '000)				
<b>Assets</b>					
Cash and balances with treasury banks	23,945,146	23,945,146	-	-	
Balances with other banks	24,174,064	23,455,792	686,959	31,313	
Lending to financial institutions	16,262,504	9,887,955	6,374,549	-	
Investments	52,707,729	19,190,995	4,893,193	19,162,066	9,461,475
Advances Performing	145,629,269	33,152,471	60,144,565	24,413,023	27,919,210
Non Performing - net of provision	4,693,940	-	-	4,481,615	212,325
Other assets	4,504,533	3,578,552	925,213	338	430
Fixed assets	5,103,654	101,669	305,071	1,211,583	3,485,331
Taxes recoverable	32,607	-	32,607	-	-
Deferred tax assets	5,194,892	512,749	1,579,295	3,163,545	(60,697)
	<u>282,248,338</u>	<u>113,825,329</u>	<u>74,941,452</u>	<u>52,463,483</u>	<u>41,018,074</u>
<b>Liabilities</b>					
Bills payable	3,835,555	3,073,298	762,257	-	-
Borrowings from financial institutions	12,637,036	6,638,787	5,998,249	-	-
Deposits and other accounts	237,054,440	39,628,747	28,504,265	20,767,543	148,153,885
Subordinated loan	3,500,000	-	798	3,312	3,495,890
Liabilities against assets subject to finance lease	3,306	448	369	2,489	-
Other liabilities	3,647,760	3,254,883	22,655	370,222	-
Deferred liabilities	2,191,180	27,928	83,785	526,854	1,552,613
	<u>262,869,277</u>	<u>52,624,091</u>	<u>35,372,378</u>	<u>21,670,420</u>	<u>153,202,388</u>
<b>Net assets</b>	<u>19,379,061</u>	<u>61,201,238</u>	<u>39,569,074</u>	<u>30,793,063</u>	<u>(112,184,314)</u>
<b>Represented by:</b>					
Share capital	5,180,000				
Reserves	5,980,448				
Unappropriated profit	3,585,102				
Minority interest	1,633,352				
Surplus on revaluation of assets	3,000,159				
	<u>19,379,061</u>				

Current and savings deposits do not have any contractual maturity therefore, current deposits and savings accounts have been classified between all four maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2004**
**41. YIELD / INTEREST RATE RISK**

Yield / Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

	Effective Yield/ Interest rate %	Total	2004				Not exposed to Yield/ Interest Risk
			Exposed to Yield / Interest risk				
			Upto three months	3 months to one year	Over one year to five years	Over five years	
(Rupees in '000)							
<b>On-balance sheet financial instruments</b>							
<b>Assets</b>							
Cash and balances with treasury banks	0.01	23,945,146	1,216,129	1,776	-	-	22,727,241
Balances with other banks	1.84-3.99	24,174,069	21,420,702	686,910	31,306	-	2,035,151
Lending to financial institutions	2.12	16,262,504	9,887,955	6,374,549	-	-	-
Investments	6.69	52,707,729	19,191,014	4,893,181	18,277,948	9,461,770	883,816
Advances - Performing	4.63-4.97	145,629,269	35,268,241	59,514,883	23,406,128	27,439,225	792
- Non Performing - net of provision	-	4,693,940	-	-	-	-	4,693,940
Other assets	-	3,053,997	9,826	-	-	-	3,044,171
		<b>270,466,654</b>	<b>86,993,867</b>	<b>71,471,299</b>	<b>41,715,382</b>	<b>36,900,995</b>	<b>33,385,111</b>
<b>Liabilities</b>							
Bills payable	-	3,835,555	3,049,027	762,257	-	-	24,271
Borrowings from financial institutions	1.89-1.93	12,637,036	6,383,002	5,998,249	-	-	255,785
Deposits	0.76-1.24	237,054,440	35,467,090	27,160,268	18,976,427	86,272,267	69,178,388
Subordinated loan	8.93	3,500,000	-	798	3,312	3,495,890	-
Liabilities against assets subject to finance lease	12-13.5	3,306	447	369	2,490	-	-
Other liabilities	-	1,817,709	18,900	-	-	-	1,798,809
		<b>258,848,046</b>	<b>44,918,466</b>	<b>33,921,941</b>	<b>18,982,229</b>	<b>89,768,157</b>	<b>71,257,253</b>
<b>On-balance sheet gap</b>		<b>11,618,608</b>	<b>42,075,401</b>	<b>37,549,358</b>	<b>22,733,153</b>	<b>(52,867,162)</b>	<b>(37,872,142)</b>
<b>Off-balance sheet financial instruments</b>							
Forward Lendings (including call lending, repurchase agreement lending, commitments to extend credit, etc.)		1,759,776	978,652	781,124	-	-	
<b>Off-balance sheet gap</b>		<b>1,759,776</b>	<b>978,652</b>	<b>781,124</b>	<b>-</b>	<b>-</b>	
<b>Total Yield/Interest Risk Sensitivity Gap</b>			<b>43,054,053</b>	<b>38,330,482</b>	<b>22,732,153</b>	<b>(52,867,162)</b>	
<b>Cumulative Yield/Interest Risk Sensitivity Gap</b>			<b>43,054,053</b>	<b>81,384,535</b>	<b>104,116,688</b>	<b>51,249,526</b>	

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2004**

**42. CURRENCY RISK**

	2004			
	Assets	Liabilities	Off balance sheet items	Net foreign currency exposure
(Rupees in '000)				
Pakistan Rupee	219,272,399	203,364,342	3,049,541	18,957,598
US Dollar	33,348,305	26,546,911	(2,110,022)	4,691,372
Pound Sterling	9,020,426	5,188,754	24,773	3,856,445
Euro	1,245,377	1,295,850	339,345	288,872
Japanese Yen	322,594	13	(320,224)	2,357
Other Currencies	19,039,237	26,473,407	(983,413)	(8,417,583)
	<u>282,248,338</u>	<u>262,869,277</u>	<u>-</u>	<u>19,379,061</u>

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rates. In order to avoid losses arising from adverse movements in the rate of exchange, the management monitors compliance with all external and internal limits (including currency, dealer and counter party limits), review of foreign exchange exposure and regular revaluation of the entire portfolio.

**43. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of traded investments other than those classified as held to maturity is based on quoted market price. Fair value of unquoted equity investments is determined on the basis of break-up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loan, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy as stated in note 5.4 of these financial statements.

The maturity and repricing profile and effective rates are stated in notes 40 and 41 respectively.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

**44. CONCENTRATION OF CREDIT AND DEPOSITS**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

**Concentration of credit risk**

Out of the total financial assets of Rs. 270,467 million, the financial assets which were subject to credit risk amounted to Rs. 248,204 million. The Group's major credit risk is concentrated in textile sector. To manage credit risk, the Group applies credit limits to its customers and obtains adequate collaterals. Investments amounting to Rs. 40,607 million are guaranteed by the Government of Pakistan.

## UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

### **Risk management**

The Group is primarily subject to interest rate, credit and currency risks. The policies and procedures for managing these risks are outlined in the notes below. The Group has designed and implemented a framework of controls to identify, monitor and manage these risks which are as follows:

#### **Interest rate risk management**

Interest risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The risks are inherent on deposits, liabilities, loans/advances and investments of the Group.

The Assets and Liabilities Committee of United Bank Limited regularly reviews the total portfolio of the Group to ensure that risks are minimized and remain within acceptable limits.

Most of the loans and advances comprise of working capital which are repriced on a periodical basis, whereas the majority of deposits are repriced retrospectively on a six monthly basis due to the profit and loss sharing system for determining deposit rates.

#### **Credit risk management**

Credit risk management is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk in the Group's portfolio is monitored, reviewed and analyzed by the Credit Risk Management (CRM).

CRM determines the quality of the credit portfolio and assists in minimizing potential losses. To achieve this objective, CRM formulates appropriate credit policies and procedures for the Group to ensure building and maintaining quality credits and an efficient credit process.

United Bank Limited has established Financial Institution Risk Management Unit (FIRMU) to screen out the Banks / Financial Institutions and determine the maximum risk exposure on each of them. FIRMU also assesses, recommends and controls cross border/ country risk.

To manage the non performing loans (NPLs), United Bank Limited has in place comprehensive remedial management policy which includes a framework of controls to identify weak credits and monitoring of these accounts.



**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2004**
**45. SEGMENT BY CLASS OF BUSINESS**

	2004					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and Pharmaceuticals	4,655,294	2.80	1,998,122	0.84	1,802,232	1.36
Agri business	8,790,381	5.28	16,306,589	6.88	2,533,997	1.91
Textile spinning	16,108,993	9.68	579,139	0.24	3,652,603	2.76
Textile weaving	9,419,083	5.66	504,250	0.21	384,352	0.29
Textile composite	13,054,127	7.84	890,148	0.38	1,150,750	0.87
Textile others	1,328,611	0.80	470,700	0.20	895,279	0.68
Cement	3,278,768	1.97	763,921	0.32	1,445,514	1.09
Sugar	2,951,155	1.77	778,133	0.33	11,607	0.01
Shoes and leather garments	2,226,295	1.34	1,750,725	0.74	141,148	0.11
Automobile and transportation equipment	2,107,423	1.27	2,651,282	1.12	2,197,816	1.66
Financial	12,440,073	7.47	4,920,543	2.08	55,741,261	42.11
Insurance	24,562	0.01	4,295,716	1.81	1,131,253	0.85
Electronics and electrical appliances	2,184,419	1.31	1,955,846	0.83	2,894,898	2.19
Production and transmission of energy	2,158,099	1.30	7,739,413	3.26	529,541	0.40
Contractors	1,297,102	0.78	2,637,896	1.11	135,051	0.10
Wholesale traders	16,577,276	9.96	15,617,092	6.59	6,209,347	4.69
Fertilizer dealers	973,047	0.58	3,041,862	1.28	997,977	0.75
Food industries	3,020,213	1.81	354,566	0.15	935,111	0.71
Airlines	1,127,819	0.68	2,083,266	0.88	127,128	0.10
Construction	1,249,406	0.75	1,787,598	0.75	1,227,788	0.93
Hotels	34,185	0.02	-	-	-	-
Infrastructure	3,968,024	2.38	1,031,024	0.43	2,764	0.00
Telecom	3,151,371	1.89	1,229,979	0.52	3,215,900	2.43
Individuals	9,093,181	5.46	134,935,450	56.92	4,733,989	3.58
Engineering	57,665	0.03	-	-	-	-
Others	45,212,373	27.16	28,731,180	12.12	40,280,176	30.43
	<u>166,488,945</u>	<u>100</u>	<u>237,054,440</u>	<u>100</u>	<u>132,377,482</u>	<u>100</u>

**45.1 Segment by sector**

Public/Government	26,105,942	15.7	26,393,796	11.1	8,519,673	6.4
Private	140,383,002	84.3	210,798,620	88.9	123,857,809	93.6
	<u>166,488,945</u>	<u>100.0</u>	<u>237,054,440</u>	<u>100.1</u>	<u>132,377,482</u>	<u>100.0</u>

**46. GEOGRAPHICAL SEGMENT ANALYSIS**

	2004			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies & commitments
	(Rupees in '000)			
Pakistan				
Domestic Operations	3,668,505	218,378,115	10,798,030	121,292,554
Asia Pacific (including South Asia)	27,659	2,267,291	17,889	43,133
	<u>3,696,164</u>	<u>220,645,406</u>	<u>10,815,919</u>	<u>121,335,687</u>
Overseas				
United States of America	65,428	3,723,753	256,706	31,363
Middle East	1,097,353	41,558,114	6,336,516	9,203,207
Europe	150,858	16,321,065	1,969,920	1,807,225
	<u>5,009,803</u>	<u>282,248,338</u>	<u>19,379,061</u>	<u>132,377,482</u>

Total assets employed include intra group items of Rs Nil

**47. TRUST ACTIVITIES**

The Group is not engaged in any significant trust activities. However, United Bank Limited acts as security agent for some of the Term Finance Certificates it arranges and distributes on behalf of its customers

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2004**

**48. RELATED PARTY TRANSACTIONS**

The Group has related party relationship with its associated undertakings, (refer note 9.1), employee benefit plans (refer note 37) and its directors and executive officers (including their associates).

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk. Details of loans and advances to the companies or firms in which the directors of the group are interested as directors, partners or in case of private companies as members are given in note 10.6 to these financial statements.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations/ terms of the contribution plan (refer note 37 to these financial statements for the details of plans). Remuneration to the executives, disclosed in note 39 to these financial statements are determined in accordance with the terms of their appointment.

Details of transactions with related parties are given below:

	2004	2003
	(Rupees in '000)	
<b>Advances</b>		
At January 01	500,000	1,404,226
Given during the year	1,000,000	8,753,020
Repaid during the year	-	(9,657,246)
At December 31	<u>1,500,000</u>	<u>500,000</u>
<b>Deposits</b>		
At January 01	2,268,428	1,653,691
Received during the year	30,997,599	14,324,593
Withdrawn during the year	(29,671,884)	(13,709,856)
At December 31	<u>3,594,143</u>	<u>2,268,428</u>
Mark-up / return / interest earned	65,125	47,127
Mark-up / return / interest expensed	108,703	62,846
Reimbursement of liason office expenses paid to Abu Dhabi Group and Bestway Group	31,535	20,746
Other	1,210,000	1,076,340
Investment made during year	4,600	850,000

Transactions entered into with directors/ executive officers as per their terms of employment are excluded from related party transactions.

**49. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors of United Bank Limited in its meeting held on January 31, 2005 has proposed a cash dividend in respect of 2004 of Rs 1.50 per share (2003: cash dividend Rs 2.25 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended December 31, 2004 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2005.

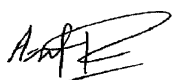
**50. DATE OF AUTHORISATION**

These financial statements were authorised for issue on 31 January 2005 by the Board of Directors of United Bank Limited.

**51. GENERAL**

Comparative figures have been reclassified and rearranged as follows:

- Lendings to financial Institutions amounting to Rs. 4,045.237 million have been reclassified from advances to lendings to financial institutions.
- General Provision against advances amounting to Rs 159.417 million has been reclassified and shown as a deduction from performing advances. This amount was adjusted against non-performing advances in the prior year.
- Comparative information has also been restated to give effect to the change in accounting policy as disclosed in note 5.9 to the financial statements.



Atif R. Bokhari  
President and  
Chief Executive Officer



Ahmad Waqar  
Director



Sir Mohammed Anwar Pervez, OBE, HPK  
Deputy Chairman



Nahayan Mabarak Al Nahayan  
Chairman

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**1. Details of Investment held in companies and modarabas**

Investee	Number of shares/ certificate held	Paid up value per share/ certificate (Rupees)	Total paid up value (Rupees in '000)	Cost
<b>Available- for- sale securities</b>				
ABAMCO Stock Market Fund	172,653	10	1,727	3,009
ABAMCO Capital Fund	20,147	10	201	281
Agriautos Industries Limited	5,357	5	27	62
Adamjee Insurance	100,000	10	1,000	6,265
Askari Commercial Bank	76,700	10	767	7,257
Azam Textile Mills Limited	292,851	10	2,929	2,929
Baig Spinning Mills Ltd.	662,050	10	6,621	6,621
D. G. Khan	350,000	10	3,500	18,785
Dewan Salman	700,000	10	7,000	13,280
Dawood Cotton Mills Limited	240	10	2	4
Faysal Balanced Growth Fund -(Class A)	150,000	10	1,500	15,000
Fauji Fertilizer Company Limited	23,000	10	230	961
HUBCO	900,000	10	9,000	29,224
ICP SEMF	16,800	10	168	410
Kay Tex Mills Ltd.	377,800	10	3,778	3,778
Karachi Electric Supply Corporation	3,041,500	10	30,415	24,271
Kohat Textile Mills Ltd.	100,000	10	1,000	1,000
Kohinoor Oil Mills Ltd.	500	10	5	2
Lucky cement	1,100,000	10	11,000	43,690
Muslim Commercial Bank Limited	100,000	10	1,000	6,012
Mehran Sugar Mills Limited	2,000	10	20	72
National Refinery Limited	705,200	10	7,052	31,443
Pakistan PTA	850,000	10	8,500	10,075
Pakistan Strategic Alloc. Fund	1,000,000	10	10,000	10,000
Pakistan Telecommunication Corporation Limited	1,000,000	10	10,000	42,429
Pakistan International Airlines Corporation	500,500	10	5,005	6,946
PICIC	850	10	9	12
PICIC Investment Fund (formerly 24th ICP Mutual Fund)	298,745	10	2,987	5,304
Pioneer Cement	700,000	10	7,000	13,735
Pakistan Petroleum Limited	900,000	10	9,000	121,607
Pakistan State Oil	355,000	10	3,550	89,386
Sakrand Sugar Mills Limited	1,547,040	10	15,470	11,720
Saleem Sugar Mills Limited (Charsadda)	892	10	9	8
Sarhad Cigarette Inds. Limited	72,080	5	360	360
Saritow Spinning Mills Ltd.	617,110	10	6,171	6,171
Shell Pakistan Limited	55,318	10	553	18,151
Sun Shine Cotton Mills Limited ( Delisted )	1,222	10	12	53
Sui Southern Gas Company Limited	300,000	10	3,000	8,016
Tariq Glass	210,149	10	2,101	2,101
Tri Star Shipping Company ( Suspended )	15,000	10	150	217
The Bank of Punjab	28,808	10	288	378
The Resource Group	13,492,000	10	134,920	134,920
Unilever Pakistan Limited	29,196	50	1,460	29,716
World Call Broad Band Limited	1,381,000	10	13,810	13,810
<b>Modaraba Certificate</b>				
Allied Bank Modaraba	3,500	10	35	32
Al Zamin Leasing Modaraba	30,705	10	307	158
First Grindlays Modaraba ( Standard Chartered )	109,436	10	1,094	1,368
First Habib Bank Limited Modaraba	15,295	10	153	149
First Hajveri Modaraba	3,540	10	35	26
First Mehran Modaraba	124,796	10	1,248	750
First Punjab Modaraba	15,805	10	158	168
Modaraba Al Mali	4,140	10	41	55
UDL Modaraba	2,020	10	20	18
UNICAP Modaraba ( Defaulting Company )	2,200	10	22	17
<b>Preference Cumulative Shares</b>				
Chenab Textiles	1 812,000	10	8,120	8,120

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**2. Details of Investments held in unlisted shares**

Investee	Number of shares	Cost	Break up value of Investment	Based on Audited accounts as at	Name of Chief Executive
	(Rupees in '000)				
<b>Shareholding more than 10 %</b>					
Investment Corporation of Pakistan	460,000	41,998	240,408	June 30, 2004	A.Latif Uqaili
Pakistan Agricultural Storage and Services Corporation	5,500	5,500	109,831	March 31, 2003	Maj. General Fahim Akhtar Khan
Khushali Bank	200	200,000	207,578	December 31, 2003	Mr. M. Ghalib Nishtar
First Women Bank Limited	2,532,000	21,100	50,656	December 31, 2003	Ms. Zarin Aziz
<b>Shareholding upto 10 %</b>					
National Institute for Facilitation of Technology (Pvt.) Ltd.	401,352	1,527	12,478	June 30, 2004	Mr. M. M. Khan
SME Bank Limited	2,981,327	26,950	35,371	December 31, 2003	Mr. Mansoor Khan
Equity Participation Fund	27,000	2,700	12,585	June 30, 2004	Mr. Shahid Akhtar
News - Vis Credit Information Services (Pvt) Limited	32,500	325	25	June 30, 2003	Mr. Fahim Ahmed
Others*		817			

\* Others represents investment in companies having nil breakup value in respect of which full provision has been made in these financial statements.

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**3. Details of Debentures**

	Terms of redemption		Rate of interest	Principal outstanding (Rupees in '000)
	Principal	Interest		
<b>Public Sector</b>				
Karachi Development Authority	Overdue	Overdue	12.50%	156,034
Pak Machine Tool Factory	Overdue	Overdue	12.50%	768
SDA Leather Tannery	Overdue	Overdue	12.00%	1,621
SDA Cold Storage Peshawar-I	Overdue	Overdue	12.50%	1,400
SDA Cold Storage Peshawar-II	Overdue	Overdue	12.00%	1,043
SAD Cold Storage Mardan-I	Overdue	Overdue	12.50%	1,300
SDA Cold Storage Mardan-II	Overdue	Overdue	12.00%	856
SDA Cold Storage Haripur-I	Overdue	Overdue	12.50%	1,300
SDA Cold Storage Haripur-II	Overdue	Overdue	12.00%	825
<b>Private Sector</b>				
Afsar Textile Limited	Overdue	Overdue	8.50%	1,750
Ajax Industries Limited	Overdue	Overdue	14.00%	1,660
Alley Hoisery Mills Limited	Overdue	Overdue	14.00%	200
Attock Textile Mills Limited	Overdue	Overdue	14.00%	120
Central Associates Limited	Overdue	Overdue	11.00%	1,015
Consolidated Spinning Mills Limited	Overdue	Overdue	14.00%	56
Effee Industries Limited	Overdue	Overdue	11.00%	1,017
Effee Industries Limited	Overdue	Overdue	14.00%	378
Electric Lamp Manufacturing Limited	Overdue	Overdue	14.00%	55
Electric Lamp Manufacturing Limited	Overdue	Overdue	12.50%	40
Junaid Cotton Mills Limited	Overdue	Overdue	11.00%	75
Junaid Cotton Mills Limited	Overdue	Overdue	14.00%	450
Khyber Textile Mills Limited	Overdue	Overdue	14.00%	394
Mehr Textile Mills Limited	Overdue	Overdue	14.00%	750
Mehr Textile Mills Limited	Overdue	Overdue	11.00%	81
Milly Leather Mills Limited	Overdue	Overdue	14.00%	619
Morgah Valley Industries Limited	Overdue	Overdue	11.00%	316
Morgah Valley Industries Limited	Overdue	Overdue	14.00%	160
National Woolen Mills Limited	Overdue	Overdue	14.00%	150
Nilom Shoes Limited	Overdue	Overdue	14.00%	817
Printing Corporation of Frontier	Overdue	Overdue	14.00%	79
Progressive Tobacco Industries Limited	Overdue	Overdue	14.00%	142
Ruby Rice & General Mills Limited	Overdue	Overdue	14.00%	250
Tanveer Woolen Mills Limited	Overdue	Overdue	14.00%	96
Tariq Cotton Mills Limited	Overdue	Overdue	14.00%	337
Zulshan Engineering Company Limited	Overdue	Overdue	14.00%	121

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**4. Detail of Bonds**

	Terms of Redemption		Rate of Interest	Outstanding amount (Rupees in '000)
	Principal	Interest		
Ghee Corporation of Pakistan	Annually	Half Yearly	15.00%	421,159
Heavy Mechanical Complex	At Maturity	Half Yearly	*	28,480
Pakistan Agricultural Storage & Services Corporation	At Maturity	Half Yearly	*	658,769
Pakistan Automobile Corporation	At Maturity	Half Yearly	*	651,011
Punjab Engineering Company Limited	At Maturity	Half Yearly	*	95,184
Rice Export Corporation of Pakistan	Annually	Half Yearly	15.00%	1,024,380
Rice Export Corporation of Pakistan- Low yield	At Maturity	Annually	14.00%	416,000
Saindak Metals Limited I	Annually	Half Yearly	15.00%	762,604
Saindak Metals Limited II	Half Yearly	Half Yearly	**	1,209,954
Water and Power Development Authority	Annually	Half Yearly	***	431,999
				5,699,540

\* Annual weighted average of last year's rate of return on Treasury Bills.

\*\* Six Monthly simple average of weighted average yields of 3 years tenor Pakistan Investment Bonds (PIBs) plus 30 basis points prevailed during accrual period.

\*\*\* SBP discount rate plus 2%.

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**5. Details of Investment in Participation Term Certificates**

Investee	No. of Certificates held	Paid up value per certificate (Rupees)	Total paid up value	Outstanding amount	Name of Chief Executive
Ali Paper Board Industries Limited	1	1,891,000	1,891	1,891	Mr. Farooq Alam Butt
	12	125,167	1,502	1,502	
	13			3,393	
Alipur Jute Mills Limited	28	208,464	5,837	3,184	Mr. Ghulam Subhani Khan
	1	379,000	379	379	
	1	2,906,000	2,906	2,906	
	30			6469	
American Marble Products Limited	12	149,833	1,798	1,250	Mr. Muhammad Hanif Sattar
Baluchistan Clay Products Limited	16	116,406	1,863	1,863	Mr. Jaffar Ali Sagarwalla
	1	2,000,000	2,000	2,000	
	17			3,863	
Bhawalpur Board Mills Limited	14	96,786	1,355	1,261	Ch. Ali Muhammad
	1	563,000	563	563	
	15			1,824	
Bela Ghee Mills Limited				1,066	Prince Jan Muhammad Yousuf
Brother Steel Mills				2,144	Mian Yousuf Aziz
Coltex Mills Limited				430	Mr. Gulzar Ahmed
Crystal Chemicals Limited				3,897	Mr. Maqsoos A. Shaikh
Dadabhoy Cement Industries Limited	16	937,500	15,000	2,794	Mr. Muhammad Amin Dadabhoy
Delta Tyre & Rubber Company Limited	7	194,125	1,165	1,686	Mr. Iqtedar Ahmed Chaudhry
Frontier Ceramics Limited (NWFP)	20	341,100	6,822	330	Mr. Ansarullah Khan
Gem Industries Limited	12	97,292	1,168	1,168	Mr. Muhammad Wali Imam
	1	350,000	350	350	
	13			1,518	
Ittehad Industries Limited				446	Mr Hazrat Dayan
Jubilee Paper Boards Mills Limited	28	168,929	4,730	4,580	Shiekh Ziauddin
	1	518,000	518	518	
	1	1,662,500	1,663	1,663	
	30			6,761	
Kamal Enterprises Limited				1,093	Mr. Khuda Buksh Marri
Khalil Jute Mills Limited	16	170,781	2,733	1,280	Mian Aziz-ul-Haq Qureshi
Leatherite Limited				889	Mr. Nazar Farid Maneka
Mass Dairies Limited				2,523	Mian Muhammad Akhtar Pagan
Morgah Valley Limited				436	Air Marshal A. Rahim Khan

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**5. Details of Investment in Participation Term Certificates**

Investee	No. of Certificates held	Paid up value per certificate (Rupees)	Total paid up value	Outstanding amount	Name of Chief Executive
National Fructose Company Limited	10	349,700	3,497	3,291	Mr. Shakirullah Durrani
	1	2,562,500	2,563	2,562	
	11			5,853	
National Tiles & Ceramics Limited	1	1,345,000	1,345	768	Agha Tajammul Hassan
Pakistan Laminates				11	Dt Basharat Elhai
Pangrio Sugar Mills Limited				12,908	Syed Sajid Hussain Naqvi
Punjab Cables Limited	14	120,571	1,688	857	Mr. M. Raza Hussain
	1	2,976,000	2,976	2,976	
	15			3,833	
Rainbow Package Limited				1,769	Syed Bashir Ahmed
Sampark Paper & Board				165	Syed Muhammad Maghfoor
Sethi Industries Limited	14	56,929	797	797	Mr. Muhammad Saeed Sethi
	1	2,813,000	2,813	2,813	
	15			3,610	
United Wood Veneer Limited				728	Mr. Kaleemullah Khan
Waziristan Oil Industries Limited				904	Mian Muhammad Adil Manoo
Zafar Oil Industries Limited				268	Nawabzada Shaukat Ali Khan
Zamrock fibers Glass Limited				2,358	Mr. S. Z. H. Syed



**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**6. Details of Investment in Term Finance Certificates**

Investee	No. of certificates held	Paid up value per certificate	Total paid up value	Outstanding amount	Name of Chief Executive
		(Rupees)	( Rupees in 000's )		
<b>Listed</b>					
Orix Leasing Pakistan Limited	34,000	5,000	170,000	140,355	Humayun Murad
Dawood Leasing	5,000	5,000	25,000	25,000	Rafique Dawood
Paramount Spinning Mills	10,769	5,000	53,845	53,845	Tanveer Ahmed
Gulistan Textile Mills	12,038	5,000	60,190	60,190	Naseer Ahmed
Gulshan Spinning Mills	1,996	5,000	9,980	9,980	Tanveer Ahmed
Securetel SPV Limited	27,000	5,000	135,000	56,250	Xabier Rocoplan
Crescent Leasing Corp.	38,542	5,000	192,710	144,710	Javed A. Callea
Bank Al Habib Limited	5,000	5,000	25,000	25,000	Abbas D. Habib
Nishat Textiles	20,000	5,000	100,000	99,960	Mrs. Naz Mansha
Union Bank Limited II	4,000	5,000	20,000	19,996	Mr. Shaukat Tarin
Shakar Ganj Sugar Mills	15,000	5,000	75,000	12,485	Ahsan M. Saleem
Sui Southern Gas Company	566	5,000	2,830	2,356	Munawar Baseer Ahmad
<b>Unlisted</b>					
Al-Azhar Textiles Limited	14	774,670	10,845	5,418	Mirza Muhammad Azhar Baig
Al-Asif Sugar Mills Limited	14	4,915,156	68,812	16,958	Mr. Qazi Afzal Abid Abbasi
Al-Fahim Textile Mills Limited	6	841,355	5,048	1,907	Mr. Riaz-ur-Rehman
Apex Fabrics Limited				2,640	Mr. Iftekhar Ahmed
Aqma Textile Mills				4,466	Mr. Zeshan Ghaffar Khan
Aruj Textile Mills Limited				3	Mr. Javed Ahmed Kayani
Azeem Tapes (Pvt) Limited	36	161,591	5,817	2,894	Haji Muhammad Ishaq Jan
Askari Commercial Bank Ltd	41,000	5,000	205,000	205,000	Mr. Kalim-ur-Rehman
Bank Al Falah Limited	10,000	5,000	50,000	49,960	Mr. Salim Akhtar
Bachani Sugar Mills Limited				25,500	Mr. Noorul Amin Bachani
Baluchistan Coaters Limited	6	729,067	4,374	514	
	16	58,969	944	2,550	
	22			<b>3,064</b>	Mr. Sardar Muhammad
Bankers Equity Limited	10	104,358,300	1,043,583	1,043,583	Mr. Amjad Aziz Khan
Blue Star Spinning Mills	17	497,020	8,449	3,392	Chaudry Ghulam Farid
Bentonite (Pakistan) Limited				3,417	Mr. Khalid Shakil
CAST-N-LINK Products Limited	16	369,054	5,909	2,549	Mr. Nisar Ahmed

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**6. Details of Investment in Term Finance Certificates**

Investee	No. of certificates held	Paid up value	Total paid up	Outstanding	Name of Chief Executive
		per certificate	value	amount	
		(Rupees)	( Rupees in 000's )		
Calcuim Limited				404	Liquidated
Chaudry Wire Rope Ind Limited				1,878	Ch. Muhammad Akram
Chiniot Textile Mills Limited				109	Mr. Shahid Usman
Chiragh Sun Eng Limited				3,108	Rana Mushtaq Ahmed
Crescent Leasing Corp.	183,891	5,000	919,455	901,428	Mr. Anwar Shafi
Dawood Leasing I	485	5,000	2,425	2,425	Rafique Dawood
Dress Leather Limited	1	4,365,075	4,365	1,000	
	16	126,058	2,017	3,663	
	17			<b>4,663</b>	Mr. Masood Ahmed
Dewan Farooq Spining Electronic Information & Energy System	30,000	5,000	150,000	150,000	Dewan M. Yousuf Farooqui
	14	581,032	8,134	4,014	
	5	344,167	1,721	1,282	
	19			5,296	Air Marshal (R) M. Waqar
Faruki Pulp Mills Limited	14	2,627,445	36,784	17,550	Mr. Salim A. Faruqi
Frontier Ceramics Limited				3,113	Mr. Shakirullah Durrani
Frontier Dextrose Limited	46	370,100	17,025	1,130	Mr. Taimur Shah
General Dairies & Foods Limited				1,350	Brig. (R) M.A. Baig
Glorex Textiles Mills Limited				1,139	Mr. M. Akram
Hospitex Limited				511	Dr. Amanullah Khan
Pakistan Mobile Communication Ltd	230,000	5,000	1,150,000	1,150,000	Mr. Zouhair A. Khaliq
Kashmir Polytex Limited				938	Muhammad Ashraf Khan
Kohinoor Weaving Mills	37,400	5,000	187,000	186,996	Mr. Amir Fayaz Shaikh
Khairpur Sugar Mills Limited	28	1,642,971	46,003	19,477	M. M. Muneeb Jumani
Larr Sugar Mills Limited	48	846,416	4,628	9,894	
	28	1,012,525	28,351	6,020	
	76			<b>15,914</b>	Mr. Abdul Rauf Farouq
Malik Food Industries Limited				2,472	Mr. Khalid Aziz Malik
Malik Textile Industries Limited	1	3,831,208	3,831	3,069	
	14	387,500	5,425	3,215	
	15			<b>6,284</b>	Mr. Ghulam Rasool Malik
Minaco Fabrics Mills Limited	28	468,319	13,113	7,350	Assets Sold
Mumtaz Shahbaz Textile Mills Ltd				3,517	Mr. Mirza Mumtaz Baig
Munawar Engineering Limited	14	251,214	3,517	2,187	Mr. M. Azeem Khan
Munro & Miller (Pak) Limited				368	Mr. Yousuf Shaheen Dawood Pota
New Allied Electronic Ind. Pvt Ltd	45,000	5,000	225,000	225,000	Mian Pervez Akhtar
Novelty Fabrics Processing Mills				15,526	Mr. Zubair Mohsin

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**6. Details of Investment in Term Finance Certificates**

Investee	No. of certificates held	Paid up value	Total paid up	Outstanding	Name of Chief Executive
		per certificate	value	amount	
		(Rupees)	( Rupees in 000 's )		
Packages Limited	5,000	5,000	25,000	25,000	Syed Wajid Ali
Pak Kuwait Inv Co.	190,000	5,000	950,000	950,000	Mr. Isthakbal Mehdi
Pak Libya Holding Company	200,000	5,000	1,000,000	999,999	Mr. Khalid Sherwani
Pak Pattan Dairies Limited				3,242	Mr. Zubair Mohsin
Pangrio Sugar Mills Limited.	16	321,445	5,143	887	Mr. Farooq Ahmed Khan Manke
Paramount Spining	42,000	5,000	210,000	209,997	Mr. Tanveer Ahmed
Pakistan International Airlines Corp.	483,040	5,000	2,415,200	2,415,128	Mr. Ahmed Saeed
Prime Commercial Bank Limited	22,000	5,000	110,000	110,000	Saeed I. Chaudhri
Pirjee Weaving Mills Limited				857	Mr. Zia-ur-Rehman
Promotals Limited				1,321	Mr. M. Yasin Chaudhri
Raja Weaving Mills Limited	14	516,891	7,236	3,831	Mr. Munaf Riaz
Rai Textile Mills				28	Sheikh M. Tahir
Regency Textile Limited				1,750	
	16	555,825	8,893	4,415	
				<b>6,165</b>	Mr. M. Iqtidar Pervaiz
Rehman Sharif Textiles (Private) Limited	24	108,974	2,615	973	Mr. Rana Muhammad Sharif
Scan Recycling (Pak) Limited				774	Mr. Mazharul Haq
Sialkot Dairies Limited				2,320	Ch. Javed Mehdi
Securetel SPV Limited	1,000	5,000	5,000	2,083	Xabier Rocoplan
Security Leasing	25,000	5,000	125,000	125,000	M.R. Khan
Silver Land Mills Limited				1,650	Mr. Tanveer Iftikhar
Sunsas enterprises				4,614	Project Sold
Sunflo Juices Limited				5,230	Sardar Fida Hussain
Tandlianwala Sugar Mills	5,800	5,000	29,000	29,000	Mr. Haroon Akhtar
Taj Syringes Private Limited				5,142	Mr. A. Hameed Khan Burki
Tanocrafts Limited				948	Dr. Muzzafar Essani
Tharparkar Sugar Mills				26,238	Mr. Irfan Ali Shah
Turbo Tubes Limited				9	Liquidate
Ultra Engineering Private Limited				210	Mr. Sultan Ahmed
Zamir Textile Mills Limited	28	986,908	27,633	15,892	
	24	75,828	1,820	1,405	
	52			<b>17,297</b>	Mr. Allauddin Sheikh

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
1.	M/s.A.Z. Hashmi ( Pvt. ) Ltd. 11/1, D - Street, Phase - V, DHA, Karachi.	1. Mr. Akbar Ali Hashmi 2. Mr. Irfan-ul-Haq 3. Mr. Yasin Zafar 4. Mrs. Rana Akhtar	1.0246-87-020656 2.502-63-080941 3.0244-85-121631 246-56-020661	1.Mr.M.Fazil Hashmi 2.Mr.Ikaramul Haq 3.Mr.M.Zaheer Hashmi 4.Mr.M.Fazil Hashmi	2.970	0.660	-	<b>3.630</b>	2.970	0.660	-	<b>3.630</b>
2.	M/s.MTM International Bearing Industries Limited, 40-KM, Multan Road, Manga Mandi,Distt. Lahore.	1. Mr. Faiz Ahmed 2. Mr. Abdul Sattar 3. Mr. Muhammad Riaz 4. Mr. Abdul Ghaffoor	1.267-57-243777 2.267-60-065215 3.267-86-065215 4.267-63-065218	1.Mr.Ghulam Muhammad 2.Mr.Ghulam Muhammad 3.Mr.Ghulam Muhammad 4.Mr.Ghulam Muhammad	1.704	0.995	-	<b>2.699</b>	-	-	5.337	<b>5.337</b>
3.	M/s.National Absorbent Cotton Mills Company, A-37, S.I.T.E., Karachi.	1. Sheikh Iftikhar Hussain 2. Sheikh Akhtar Hussain 3. Sheikh Intizar Hussain 4. Sheikh Ashfaq Hussain 5. Sheikh Iqbal Hussain 6. Sheikh Altaf Hussain	1.42201-9687666-7	1.Hafiz Fazal Hussain 2.Hafiz Fazal Hussain 3.Hafiz Fazal Hussain 4.Hafiz Fazal Hussain 5.Hafiz Fazal Hussain 6.Hafiz Fazal Hussain	1.908	1.517	0.202	<b>3.627</b>	-	0.519	0.388	<b>0.907</b>
4.	M/s.Imrana Industries (Pvt.) Limited, Kacha Sadiqabad Road, Rahimyar Khan..	1. Mr. Aijaz Ahmed 2. Mr. Ilyas Ahmed 3. Mr. Asghar Ahmed 4. Mr. Saeed Khalid	N/A	1.Mr.Niaz Ahmed 2.Mr.Niaz Ahmed 3.Mr.Niaz Ahmed 4.Haji Khuda Bux	2.517	-	-	<b>2.517</b>	1.017	-	0.990	<b>2.007</b>
5.	M/s.Keep Cool. Frere Street, Dr.Daud Pota Road, Karachi.	Mr.S Abdul Nasir	N/A	N/A	1.034	0.367	-	<b>1.401</b>	1.034	-	0.367	<b>1.401</b>
6.	Mian Abdul Rashid, 10 - A, 8th Street, D. H. S., Karachi.	Mian Abdul Rashid	N/A	N/A	0.995	0.362	-	<b>1.357</b>	0.995	-	0.362	<b>1.357</b>
7.	M/s.Bright Auto Store, H.S.Advani Street,Plaza Square, M.A. Jinnah Road, Karachi.	1. Sheikh Muhammad Akram 2. Sheikh Muhammad Ashraf	N/A	1.Shaikh Inayatullah 2.Shaikh Inayatullah	1.306	2.233	-	<b>3.539</b>	1.306	1.558	0.675	<b>3.539</b>
8.	M/s.Jamal Trading Coporation, Room No.8, Arkay Square, New Challi,Shahrah-e-Liaquat, Karachi.	1. Mr. Shamsuddin Jamal 2. Mr. M. K. Jamal 3. Mr. Habib Jamal 4. Mr.Noor Din Jamal	1.518-58-246364	1.Mr.Noorddin Jamal 2.Mr.Noorddin Jamal 3.Mr.Noorddin Jamal	0.668	0.770	-	<b>1.438</b>	0.668	0.176	0.594	<b>1.438</b>
9.	M/s.Imperial Traders, Ist Floor, Rehman Building, Bombay Bazar, Karachi.	Mr. Rasheed Ahmed	N/A	Mian Afzal Karim	0.086	0.161	-	<b>0.247</b>	-	0.154	0.857	<b>1.011</b>
10.	M/s.United Traders, 16 - G, Gulberg - II, Lahore.	1. Mr.Iftikhar Ahmed 2. Mr.Shahid Iftikhar 3. Mr.Khalid Iftikhar	N/A	1.Late Siraj Ahmed	0.300	0.386	-	<b>0.686</b>	0.150	0.386	0.258	<b>0.794</b>
11.	Mr. Muhammad Shafi Ghuari, 75- A/1, Revenue Employees Society, Jauhar Town, Lahore.	Mr. Muhammad Shafi Ghuari	318-86-505535	Mr.Muhammad Ibrahim Ghuri	0.180	0.073	-	<b>0.253</b>	0.004	-	0.678	<b>0.682</b>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
12.	Mr. Abdul Rahim Panezai, Kasra # 1387/1385, Ziarat,Quetta.	Mr. Abdul Rahim Panezai	N/A	Haji Muhammad Gul	0.500	0.654	-	<b>1.154</b>	-	-	0.704	<b>0.704</b>
13.	Mr. Abdul Wahab Muhalla Sharif Shah, Ratodero	Mr. Abdul Wahab	N/A	Mr.Abdul Haque Abbasi	0.050	0.374	0.021	<b>0.445</b>	0.004	0.180	0.576	<b>0.760</b>
14.	M/s.National Modarba Company Ltd. (M/s.Decola Pakistan Ltd.), Plot # 51, Sector # 7-A, Korangi Industrial Area, Karachi.	1.Mr.Abdulrehman M.Bukhtiar 2.Mr.Azfar Hasnain 3.Mr.Shafiq Ali Syed	2.517-41-034369 3.514-41-095366	1.Mr.Khalfan Bukhtiar 2.Syed Ainul Hassan 3.Mr.Raza Ali Syed	15.853	-	-	<b>15.853</b>	-	-	10.853	<b>10.853</b>
15.	M/s. Aaj Textile Mills Limited.. Shorkot Distt. Jhang & 15 - F.C. C. Gulberg, Lahore.	1. Syed Jamat Ali Shah 2. Syed Shahzad Ali Shah 3. Syed Mansoor Ali Shah	N/A	1.Syed Abdullah Shah 2.Syed Abdullah Shah 3.Syed Jamat Ali Shah	1.802	6.371	-	<b>8.173</b>	1.570	0.825	17.890	<b>20.285</b>
16.	M/s.Mansoor Textile Mills Ltd., Shorkot Distt. Jhang.	1. Syed Jamat Ali Shah 2. Syed Shahzad Ali Shah 3. Syed Mansoor Ali Shah	N/A	1.Syed Abdullah Shah 2.Syed Abdullah Shah 3.Syed Jamat Ali Shah	1.536	4.753	-	<b>6.289</b>	1.300	0.408	13.331	<b>15.039</b>
17.	Mst.Mina Jan, House No.D - 480, Peoples Colony, North Nazimabad, Karachi.	Mst. Mina Jan	N/A	N/A	0.719	0.523	0.077	<b>1.319</b>	0.083	0.523	0.355	<b>0.961</b>
18.	M/s.World Garments Pakistan (Pvt.) Limited, P.O. Box # 388, Usmanabad, Faisalabad.	1.Mr. Abdul Razzak 2.Mr. Riaz Ahmed 3.Mr. M.Qadir Khan 4.Mr. Sultan Khan 5.Mr. Sadiq Ali 6.Mr. Muhammad Ishaq 7.Late Ulfat Ali 8.Late Muhammad Ismail 9.Late Abdul Hameed	N/A	1.Late Ulfat Ali 2.Late Ulfat Ali	15.012	-	-	<b>15.012</b>	4.012	-	22.150	<b>26.162</b>
19.	M/s.Pak Belt Industries Limited. Sheikhupura Road, Lahore & 1 Canal Block, Aziz Avenue, Gulberg - 5, Lahore.	1. Shaikh Arshad Saeed 2. Shaikh Asad Amin 3. Shaikh Akmal Arshad	1.35202-3300714-5 2.35201-9478856-1 3.35202-0174157-7	1.Shaikh Muhammad Amin 2.Shaikh Arshad Saeed 3.Shaikh Arshad Saeed	1.214	-	-	<b>1.214</b>	-	-	4.194	<b>4.194</b>
20.	M/s.Qureshi Wool Industries, 10 - KM, Lahore - Sheikhupua Road, Lahore and 2nd Floor, Chinar Centre near Plastic Market, Shahalam Market, Lahore.	1. Mian Ibtisarul Haq 2. Mian Ijazul Haq 3. Mrs. Uzma Haq 4. Mrs. Tanveer Ijaz 5. Mrs. Huma Khalid 6. Mrs. Yasmeen Rehman 7. Mian Saquib Khalid	1.35202-8305483-3 2.35202-7331506-1 3.35202-6201390-2 4.270-88-346830 5.271-91-082435 6.267-51-107816 7.271-92-082437	1.Mian Ilam-ud-Din 2.Mian Ilam-ud-Din 3.Mian Ibtisarul Haq 4.Mian Ijazul Haq 5.Mian Muhammad Khalid 6.Mian Misbahur Rehman 7.Mian Muhammad Khalid	0.945	0.459	-	<b>1.404</b>	0.495	-	1.153	<b>1.648</b>
21.	M/s.Redco Pakistan (Pvt.) Ltd., Chak Shahzad, Islamabad.	1.Mr.Saif-ur-Rehman Khan 2.Mr.Mujeeb-ur-Rehman Khan 3.Mr.Atiq-ur-Rehman Khan 4.Late Amanullah Khan	1.270-54-108950 2.101-60-582256 3.272-66-441397	1.Late Amanullah Khan 2.Late Amanullah Khan 3.Late Amanullah Khan	17.008	8.069	-	<b>25.077</b>	-	-	17.570	<b>17.570</b>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
22.	M/s.M. Suleman & Co., Ghalla Mandi, Bahawalnagar.	1.Mr.Abdul Razzak 2.Mr.Abdul Shakoor 3.Mr.Abdul Ghaffar 4.Mian Muhammad Suleman	N/A	1.Mian Muhammad Suleman 2.Mian Muhammad Suleman	0.250	0.856	-	<b>1.106</b>	-	0.384	1.980	<b>2.364</b>
23.	M/s.Yousuf Hardware Industries, F - 5/A, S. I. T. E., Karachi.	1.Mr.Akber Mehmood 2.Mr.Anis Iqbal 3.Mr.Asgar Mehmood 4.Mr.Khurshed Ahmed	1.517-70-068723 2.517-60-339344	1.Mr.Muhammad Ahmed 2.Mr.Muhammad Ahmed 3.Mr.Muhammad Ahmed 4.Mr.Muhammad Ahmed	6.913	15.533	-	<b>22.446</b>	6.913	15.146	49.271	<b>71.330</b>
24.	M/s.Hussain Beverages Ltd., Korangi Industrial Area, Karachi.	1.Mr.Sajjad Hussain 2.Mrs.Uzma Hussain	1.517-89-187185 2.517-93-187187	1.Mr.Abbas Hussain 2.Mr.Abbas Hussain	5.906	6.369	-	<b>12.275</b>	-	-	19.797	<b>19.797</b>
25.	M/s.Feroz Muhammad Ali, Salim Centre, Ram Bharti Street, Jodia Bazar, Karachi.	Mr. Feroz Muhammad Ali	N/A	Mr.Muhammad Ali	2.381	0.525	-	<b>2.906</b>	2.381	0.041	0.484	<b>2.906</b>
26.	M/s. Radio Palace, Feroz Castle Building, Frere Road, Karachi.	Mr. Jaffar Ali	515-55-175996	Mr.Rajab Ali	3.562	-	-	<b>3.562</b>	3.562	-	-	<b>3.562</b>
27.	M/s.Pak Punjab Carpets Limited, Kot Lakhpat, Lahore.	1. Khawaja Zubair Ahmed 2. Khawaja Adnan Zubair 3. Khawaja Talha Zubair 4. Mrs. Mussarat Zubair 5. Khawaja Imran Zubair 6. Khawaja Ahsan Zubair 7.Mrs. Huma Adnan	N/A	1.Khawaja Ghulam Mohyuddin 2.Khawaja Zubair Ahmed 3.Khawaja Zubair Ahmed 4.Khawaja Zubair Ahmed 5.Khawaja Zubair Ahmed 6.Khawaja Zubair Ahmed 7.Khawaja Adnan Zubair	1.000	-	-	<b>1.000</b>	-	-	0.626	<b>0.626</b>
28.	M/s.Pak Soya Feeds (Pvt.) Ltd., Pano Dheri,Oghi Road-Mansehra & 53 - Main Shadman Market, Lahore.	1. Mr.Muhammad Afzal Khan 2. Mr.Samad Afzal Khan 3. Mr.Asad Afzal Khan 4. Mrs.Sunnaiya Afzal Khan	2.13101-2877219-1 3.13101-2877221-7 4.13101-2877365-4	2.Mr.Muhammad Afzal Khan 3.Mr.Muhammad Afzal Khan 4.Mr.Muhammad Afzal Khan	5.015	2.227	-	<b>7.242</b>	-	0.930	12.124	<b>13.054</b>
29.	M/s. G.M.Textile, P - 442, Street # 11-12, Mian Bazar - Mansoorabad, Faisalabad.	1. Hafiz Ghulam Mustafa 2. Mr.Ghulam Muhammad 3. Mr.Muhammad Akram Shakeel 4. Mst. Anwari 5. Hafiz Ghulam Murtaza	1.244-31-282418 2.244-41-282408 3.244-49-282415 4.255-35-132046	1.Mr.Muhammad Ali 2.Mr.Muhammad Ali 3.Mr.Muhammad Ali 4.W/o.Syed Ahmed	4.299	0.247	-	<b>4.546</b>	0.367	-	1.778	<b>2.145</b>
30.	M/s.Sanaullah & Company, P - 442, Street # 11/12, Mansoorabad, Faisalabad.	1. Mr.Sanaullah 2. Mr.Muhammad Akram Sakeel 3. Mr.Ghulam Muhammad 4. Hafiz Ghulam Mustafa	N/A	Mr.Rehmatullah	7.000	1.386	-	<b>8.386</b>	2.500	0.616	1.867	<b>4.983</b>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
31.	M/s.Karachi Properties & Investment Company(1974) Ltd., (Hyatt Regency Hotel), Opp. PIDC House, Karachi.	1. Mr. M. C. Minwalla 2. Mr. K. M. Muneer 3. Mr. D. C. Minwalla 4. Mr. K. M. Rafi Muneer 5. Mrs.Vera N. Dastior 6. Mr. K. M. Zaki Muneer	N/A	N/A	21.100	43.173	-	<b>64.273</b>	-	5.915	213.507	<b>219.422</b>
32.	M/s.Arkey Traders, 205, Unit Tower, I.I. Chundrigar Road, Karachi.	Mr. Sultan Muhammad	501-40-682086	N/A	1.378	0.199	-	<b>1.577</b>	1.378	0.049	0.150	<b>1.577</b>
33.	M/s.Kamal Enterprises Ltd., 2 - Jail Road, Quetta and factory at Sibi - Baluchistan.	1. Justice (Rtd) Khuda Bux Marri 2. Mrs. Anita Yasmin 3. Mir Kamal Farid Marri 4. Ms. Naeem B. Marri 5. Mrs. Elsa Yasmeen	N/A	N/A	1.804	1.578	-	<b>3.382</b>	0.304	1.535	0.043	<b>1.882</b>
34.	M/s.AI-Furnishers Industries Limited, S.I.E., Kohat Road, Peshawar.	1. Mr. Amjad Ali 2. Mr. S.M. Saeed 3. Mr. Saeed Ahmed	N/A	N/A	0.500	1.065	-	<b>1.565</b>	0.500	-	1.065	<b>1.565</b>
35.	M/s.Pak Soap Industries, Plot # B-47, S.I.E., Sukkur	Mr. Muhammad Arif Khan	409-86-055960	Hafiz Muhammad Usman	0.680	0.413	-	<b>1.093</b>	0.255	0.240	1.273	<b>1.768</b>
36.	M/s.Punjab Agro Services, Old Sabzi Mandi, Multan.	Mr. Rashid Tanveer	N/A	Mr. Muhammad Rafi	0.425	-	-	<b>0.425</b>	0.425	-	1.065	<b>1.490</b>
37.	M/s.Modren Textile Industries, 24 - 1 - A. Industrial Estate, Multan.	Mr. Zia Mohiuddin	N/A	N/A	7.942	2.699	-	<b>10.641</b>	7.942	0.864	1.835	<b>10.641</b>
38.	M/s. Diplomat Socks (Pvt.) Ltd.	1. Mr. Karamatullah Qazi 2. Mrs. Fozia Qazi 3. Miss Nadira Qazi	N/A	N/A	0.450	0.839	-	<b>1.289</b>	0.450	0.531	0.308	<b>1.289</b>
39.	M/s.G.M.Pipe Industries	1. Mr. Muhammad Iftikhar 2. Mr. Muhammad Riaz 3. Mr. Muhammad Iqbal	N/A	N/A	0.775	0.691	-	<b>1.466</b>	0.775	0.406	0.285	<b>1.466</b>
40.	M/s.Overseas Blue Star Ghee Mills Limited, Plot # 58 to 62, S.I.E., Multan Road, Bahawalpur.	1. Mr. Arshad Mir 2. Mr. Javed Ahmed 3. Mr. M. Rashid Mir 4. Mrs. Saira Arshad	1.501-86-460027 2.276-46-153029 3.501-62-158632 4.501-86=760938	1. Mr. Ghulam Muhammad 2. Mr. Ghulam Muhammad 3. Mr. Ghulam Muhammad 4. Mr. Arshad Mir	25.701	-	-	<b>25.701</b>	7.013	-	51.275	<b>58.288</b>
41.	M/s.Daman Oil Mills Ltd., Tank Road, D. I. Khan.	1. Mr. Habibullah Kundi 2. Mst. Mehrun Nissa Khan 3. Mr. Haq Nawaz Khan Kundi 4. Mr. Saeed Akber Khan Kundi 5. Mr. Sanaullah Khan Kundi 6. Mr. Iqbal Naeem	N/A	1. Mr. Alamgir Khan Kundi 2. Mr. Habibullah	20.986	7.938	-	<b>28.924</b>	4.532	5.013	41.807	<b>51.352</b>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
42.	M/s.Saigol Auto & Engineering.Works(Pvt.) Ltd., Saigol House, 205-Tannary Road, Bihar Colony, Karachi.	1.Mr.Muhammad Nasir Saigol 2.Mr.Khurram Naseer Saigol 3.Mr.Abdul Khaliq	1.508-41-125211 2.508-65-125214	1.Muhammad Bashir Saigol 2.Muhammad Nasir Saigol 3.Mr.Abdul Rasheed	3.693	4.518	-	<b>8.211</b>	3.693	4.518	18.008	<b>26.219</b>
43.	M/s.Adamjee Construction, Company (Pvt.) Ltd., 5th Floor, Adamjee House, I.I.Chundrigar Road, Karachi.	1. Mr. Abdul Razzak Usman 2. Mr. A. R. Adamjee 3. Mr. Akhtar Adamjee 4. Mr. Muhammad Yousuf 5. Mr. Aziz Fazal	N/A	N/A	2.120	1.155	-	<b>3.275</b>	-	0.832	1.538	<b>2.370</b>
44.	M/s.Rainbow Industries Ltd. (Now I.I.S. Textile Mills Ltd.), Bhai Pheru, Tehsil:Chunian, Distt.Kasur.	1. Mian Tanveer A. Shaikh 2. Mian Javed A. Shaikh 3. Mr. Abdul Rasheed	N/A	N/A	0.650	1.140	-	<b>1.790</b>	-	0.940	0.769	<b>1.709</b>
45.	M/s.Syncot Textile Mills (Pvt.) Limited	1.Syed Shamim Alam 2.Mr.Muhammad Ahmed	516-52-235782	Mr.S. Hafiz Alam	2.708	0.485	-	<b>3.193</b>	2.666	0.485	2.699	<b>5.850</b>
46.	M/s.Silver Tech	1.Syed Shamim Alam 2.Mr.Muhammad Ahmed	516-52-235782	Mr.S. Hafiz Alam	4.558	1.278	-	<b>5.836</b>	-	0.909	7.008	<b>7.917</b>
47.	M/s.Amritech Trading Company	1.Syed Shamim Alam 2.Mr.Muhammad Ahmed	516-52-235782	Mr.S. Hafiz Alam	0.400	0.395	-	<b>0.795</b>	-	0.395	0.719	<b>1.114</b>
48.	M/s.Parpiani Cotton Ginning & Pressing Factory, S.# 46/4-16, 47/2-34, Deh: Ranipur Distt.Gambat.	1.Mr.Chandan Das 2.Mr.Kauromal 3.Mr Ram Chand 4.Mr.Pursumal	1.440-59-149693	Mr.Pursoo Mal	1.741	2.098	-	<b>3.839</b>	0.641	1.678	3.380	<b>5.699</b>
49.	Muhammad Nasir	Mr.Muhammad Nasir	513-86-125089	N/A	0.348	0.621	0.085	<b>1.054</b>	-	0.423	0.169	<b>0.592</b>
50.	M/s.Sana Knitting Industries, Plot # 28, Sector # 21, Korangi Industrial Area, Karachi.	Mr.Muhammad Akhtar Chaudhry	42201-1453596-9	N/A	5.730	6.853	-	<b>12.583</b>	1.411	2.903	4.350	<b>8.664</b>
51.	M/s.Pakistan Wire Industries, E - 51, S.I.T.E., Karachi.	Mr.Mehmood Ahmed	510-35-331650	Khawaja Abdul Samad	8.112	1.802	-	<b>9.914</b>	0.590	1.121	0.682	<b>2.393</b>
52.	M/s.Hafeez Steel Works, B - 61, Industrial Estate, Dhak Road, Sukkur.	Mr.Muhammad Hafeez	N/A	Mr.Yamin	0.150	0.335	-	<b>0.485</b>	-	0.312	0.683	<b>0.995</b>
53.	M/s.Blessed International (Pvt) Ltd.,	1.Mian Ghulam Hussain 2.Mr.Ghulam Muhammad Bhatti 3.Mr.Mazhar Iqbal 4.Mr.Muhammad Abdul Wahab	N/A	1.Mr.Nawab Din 2.Mr.Sooda Khan Bhatti 3.Ghulam Muhammad Bhatti 4.Abdul Wahab	0.530	0.238	-	<b>0.768</b>	0.530	-	0.238	<b>0.768</b>



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*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
54.	M/s.Khattak Edible Oil Mills (Pvt.) Ltd., Rakh Canal East Road, Opp:Rafhan Maiz Products, Faisalabad..	1.Mr.Muhammad Adil Monoo 2.Mr.Muhammad Irfan Monoo 3.Mrs.Fouzia Monoo 4.Mrs.Rukhsana Monoo 5.Mr.Muhammad Rafiq Monoo 6.Malik Gulab Khan 7.Malik Saeed Khan	N/A	N/A	13.025	1.646	-	<b>14.671</b>	11.656	1.646	3.566	<b>16.868</b>
55.	M/s.Kehkashan Textile (Pvt.) Limited, Plot # 12 & 12/1, Sector No.15, Korangi Industrial Area, Karachi..	1.Mr.Niaz Khalid 2.Mrs.Sabohi Gul	2.35202-2435682-8	1.Mr.Saif Khalid 2.Mr.Gul Muhammad	59.673	3.257	-	<b>62.930</b>	9.673	1.580	38.943	<b>50.196</b>
56.	M/s.Azeem Sons, Suite D, 1st Floor, Al-Haroon Building, 10-Garden Road, Karachi.	1.Mr.Nusrat Azeem 2.Mr.Shaukat Azeem 3.Mr.Sajjad Azeem	1.514-28-123692 2.514-32-123691	1.Mr.Muhammad Azeem 2.Mr.Muhammad Azeem	0.850	1.171	-	<b>2.021</b>	-	1.030	0.924	<b>1.954</b>
57.	M/s.Waziristan Oil Industries Limited.	1.Mr.Muhammad Adil Monoo 2.Mr.Muhammad Irfan Monoo 3.Mrs.Fouzia Monoo 4.Mrs.Rukhsana Monoo 5.Mr.Muhammad Rafiq Monoo 6.Malik Gulab Khan 7.Malik Saeed Khan	N/A	N/A	11.006	1.617	-	<b>12.623</b>	9.638	0.001	1.616	<b>11.255</b>
58.	M/s.Tariq Cooking Oil Mills (Pvt.) Limited, 6-KM,Raiwind-Kasur Road,Kasur & Room # 3, Hussain Plaza, 13, Fane Road, Lahore.	1.Mr.Irshad Hussain Malik 2.Mr.Tariq Hussain Irshad 3.Mst.Parveen Akhtar	N/A	N/A	9.562	4.843	-	<b>14.405</b>	3.985	4.483	5.344	<b>13.812</b>
59.	M/s.Sunshine Jute Mills Ltd., Sheikhupura Road, Distt.Sheikhupura & 112-B, Gulberg Road, Lahore.	1.Mian Aftab A. Sheikh 2.Mrs.Nasreen Aftab 3.Miss Aysha Aftab 4.Miss Aliya Aftab 5.Mr.Avais Mazhar Hussain 6.Mr.Hussain Aftab	N/A	N/A	5.921	5.517	-	<b>11.438</b>	0.978	1.182	45.496	<b>47.656</b>
60.	M/s.Suhail Aamir Industries (Pvt.) Limited. Kabirwala Road, Khanewal - Multan.	1.Mr.Muhammad Sadiq 2.Mr.Muhammad Nawaz 3.Mr.Muhammad Kazim 4.Mr.Muhammad Iqbal	N/A	N/A	20.840	-	-	<b>20.840</b>	15.340	-	3.183	<b>18.523</b>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
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*(Rupees in million)*

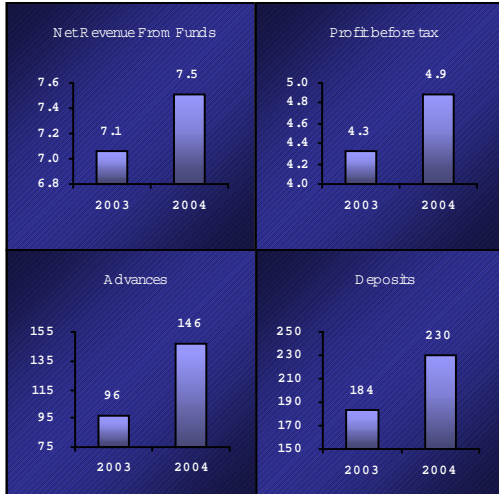
S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
61.	M/s.Hub Textile Mills Limited, Phase-V,Industrial Estate, Hattar, Distt.Haripur -NWFP	Old Directors: 1.Manzurul Hasan 2.Mr.Tanvir Hasan 3.Mr.Azmat Ashraf 4.Mr.Dhahid Azmi 5.Ms.Bushra Hassan New Directors: 1.Mr.Saad Abdullah Al-Nadvi 2.Mr.Akhtar Ali Khan 3.Mr.S. Rahimullah 4.Mr.Muhammad Younus Khan 5.Mr.Shafiqur Rahman Adhami	1.516-40-183183 2.501-93-002576	1.Mr.Abdullah Abbas 2.Mr.Hashmat Ali Khan 3.Syed Qadir 4.Iqbal Hussain Khan 5.Mr.M.A.R.Adhami	47.974	21.166	-	<b>69.140</b>	-	-	59.483	<b>59.483</b>
62.	M/s.Nayab Spinning & Weaving Mills Limited, Kotla Kahlwan, Distt.Sheikhupura and 145-E/1, Gulberg-III,Lahore.	1.Chaudhry Naeem Gulzar 2.Chaudhry Suhail Gulzar 3.Chaudhry Waseem Gulzar 4.Chaudhry Shakeel Gulzar 5.Chaudhry Mazhar Shakeel 6.Mrs.Shakeela Naeem 7.Mrs.Samina Gulzar	1.226-86-115668 2.226-93-115669 3.226-74-115670 4.226-76-115672 5.272-59-107280 6.226-89-405645 7.226-92-115471	1.Chaudhry Gulzar Muhammad 2.Chaudhry Gulzar Muhammad 3.Chaudhry Gulzar Muhammad 4.Chaudhry Gulzar Muhammad 5.Mr.Inayatullah Bhatti 6.Chaudhry Naeem Gulzar 7.Chaudhry Gulzar Muhammad	309.281	120.720	-	<b>430.001</b>	194.538	-	74.235	<b>268.773</b>
63.	Mr.Muhammad Aslam Waheed, A-410,Erum Square, Block - 11, Gulshan-e-Iqbal, Karachi.	Mr.Muhammad Aslam Waheed	277-55-116888	Mr.Khushi Muhammad	0.500	0.100	-	<b>0.600</b>	-	0.025	0.602	<b>0.627</b>
64.	M/s.Yaqoob Salim Export House, R - 1213, Block - 17, Federal 'B' Area,Karachi.	Mr.S.M.Salim	501-50-123641	Mr.S.Badar	0.303	0.654	-	<b>0.957</b>	-	0.512	1.792	<b>2.304</b>
65.	M/s. Daily Jiddat, Rehman Baba Colony, Shoba Bazar,Peshawar.	Mr.S. M. Rizvi	Expired	N/A	-	0.351	-	<b>0.351</b>	-	0.125	0.647	<b>0.772</b>
66.	M/s. Akbar Tanneries Niaz Nagar, Kasur	Sheikh Akbar Siddique	280-54-205996	Mr.Muhammad Siddique	0.539	0.145	-	<b>0.684</b>	0.407	0.001	0.997	<b>1.405</b>
67.	M/s. Sheikh Industry (Pvt) Ltd., A-67, Small Industries Estate, Sukkur.	1.Mr.Sadaruddin Shaikh 2.Mr.Najamuddin Shaikh 3.Mst.Fariha Naseem 4.Mst. Samar Jahan	1.409-55-147225 2.409-57-147227 3.409-62-226822 4.409-60-147228	1.Mr.Nooruddin Shaikh 2.Mr.Nooruddin Shaikh 3.W/o.Mr.Sadaruddin Shaikh 4.W/o.Mr.Iqbal Bashir	0.665	0.277	-	<b>0.942</b>	0.215	-	1.692	<b>1.907</b>
68.	M/s.Wincola (Pvt.) Limited.	1.Sheikh Shaukat Ali 2.Hafiz Saadat Ali 3.Sheikh Ashraf Ali	1.272-20-071450 2.272-55-195737 3.272-58-367099	1.Hafiz Sakhawat Ali 2.Sheikh Shaukat Ali 3.Sheikh Shaukat Ali	0.857	0.250	-	<b>1.107</b>	0.206	-	0.668	<b>0.874</b>

**UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES  
ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
69.	Mr.Muhammad Iqbal, House No.1, Gali No.11, Boby Snacks, Frere Road, Karachi.	Mr.Muhammad Iqbal	601-47-164547	N/A	0.234	0.130	0.019	<b>0.383</b>	0.161	0.130	0.209	<b>0.500</b>
70.	Mrs.Bushra Farooq, III-RD, F-9/14, Nazimabad # 3, Karachi.	Mrs.Bushra Farooq	502-52-422991	Mr.M Yaseen	0.238	0.098	0.015	<b>0.351</b>	0.164	0.098	0.238	<b>0.500</b>
71.	Syed Irshad Anwar, 43/1-F, Block - 6, P.E.C.H.S., Karachi.	Syed Irshad Anwar	701-87-087294	N/A	0.236	0.080	0.003	<b>0.319</b>	0.172	0.080	0.248	<b>0.500</b>
72.	Mr.Iqbal Hussain, Peshawar.	Mr.Iqbal Hussain	Expired	N/A	0.125	0.152	-	<b>0.277</b>	-	0.152	0.416	<b>0.568</b>
73.	M/s.Faizan Impex, Room # 51, 3rd Floor, Textile Plaza, M.A. Jinnah Road, Karachi.	Mr.Haroon Habib	509-53-005556	Mr.Habib	1.388	0.084	-	<b>1.472</b>	0.137	-	0.581	<b>0.718</b>
74.	Mr.Yar Zaman Khan, 10/547, Block "C", Shershah, Karachi.	Mr.Yar Zaman Khan	N/A	N/A	0.197	0.947	0.088	<b>1.232</b>	-	0.724		<b>0.724</b>
75.	M/s.AI Fahad Medical Complex, Plot # 186/3, Shahrah-e-Faisal, Karachi.	1.Dr.Zubair Mirza 2.Mr.Mazhar Alam 3.Mrs.Salma Ehsan	1.517-44-331725 2.358-47-153808 3.517-57-331724	1.Mr.Ozair Mirza 2.Mr.Izhar Alam 3.Dr.Zubair Mirza	-	6.793	-	<b>6.793</b>	-	-	3.396	<b>3.396</b>
76.	M/s.Fahad Ice Factory, 8-E, Model Town, Lahore.	1.Mr.Tasneem Ahmed 2.Mrs.Sabiha Bano Tasneem	2.35202-88-29278	2.Mr.Tasneem Ahmed	0.820	0.367	-	<b>1.187</b>	-	-	0.642	<b>0.642</b>
77.	M/s.First Hi-Tech Composing, Plot # J-559,Ruby Road, Saeedabad, Karachi.	Mr.Muhammad Shoaib	517-47-224370	Mr.Muhammad Shafiq	1.003	0.509	-	<b>1.512</b>	-	-	2.349	<b>2.349</b>
78.	M/s.Tando Adam Bone Mills Ltd., P. O. Box # 4295,Serai Road, Karachi.	1.Mr.Muhammad Bashir 2.Mr.Fazal Rehman 3.Mrs.Zubeda Begum 4.Mr.Nisar Ahmed 5.Mr.Muhammad Umar 6.Mr.Muhammad Suleman	1.42301-891804-1 2.42301-84269-1	1.Haji Muhammad Usman 2.Haji Muhammad Usman 3.Haji Muhammad Usman 4.Haji Muhammad Usman	0.316	0.835	-	<b>1.151</b>	-	-	1.632	<b>1.632</b>
79.	M/s.Saeed & Company, Shama Cinema Road, Morcha Chowk,Lahore.	Mr.Abu Saeed Ehsan	275-92-036634	Mr.Muhammad Ehsan	0.615	-	-	<b>0.615</b>	-	-	1.136	<b>1.136</b>
80.	M/s.K. S. Trading Company, 10,New Cycle Market, Nila Gumbad,Lahore.	Sheikh Alla-ud-Din	35201-10-799039	Sheikh Muhammad Tufail	-	0.125	-	<b>0.125</b>	-	0.065	0.586	<b>0.651</b>
81.	Mr.M.Ayub Khan, Jelus Bazar, Larkana.	Mr.M.Ayub Khan	N/A	Mr.Gulab Khan	0.100	0.669	0.015	<b>0.784</b>	-	0.205	1.404	<b>1.609</b>
<b>Total</b>					<b>703.382</b>	<b>307.886</b>	<b>0.525</b>	<b>1,011.793</b>	<b>311.706</b>	<b>63.614</b>	<b>792.090</b>	<b>1,167.410</b>

**DIRECTORS' REPORT TO THE MEMBERS**

It gives me great pleasure to present to you the 46th Annual Report and Financial Statements of United Bank Limited for the year ended December 31, 2004.

**FINANCIAL HIGHLIGHTS**


In 2004, the bank generated a net profit before tax of Rs 4.9 billion which represents a 14% growth from last year. Net revenue from funds (NRFF) and fee income were the two major contributors. NRFF increased by 6% to Rs 7.5 billion, largely due to reduction in deposit rates and fee income increased by 15% to Rs 1.7 billion, mainly due to increased focus on trade business during the year. Administrative expenses increased only by 8% to Rs 6.7 billion primarily due to investment in the consumer business. Income from dealing in foreign currencies also increased sharply by 53%, mainly due to the weakening of the rupee, creating opportunities for effective arbitrage.

As a result the profit after tax registered a healthy rise of 40% and stood at Rs 3.7 billion, providing a healthy return on equity of 26% (EPS: Rs 7.15). The Board of Directors is pleased to recommend cash dividend of Rs 1.50 per share for the year ended December 31, 2004.

The balance sheet strengthened further during the year, with a sharp growth of 52% in Advances (Rs 50 billion over last year) to Rs 146 billion, one of the highest amongst the large network banks. Consequently the Bank's domestic market share of advances jumped to 8.6% at the end of the year (2003: 8.1%)

On the liabilities side, deposits jumped by 25% to Rs 230 billion. Our dedicated field staff once again demonstrated their ability to exceed expectations. The Bank's domestic market share of deposits increased to 9.1% at the end of the year (2003: 8.8%)

While these are solid results, taking into account tough economic conditions and reducing interest rate spread, we are highly focused on increasing revenue in 2005, and are confident of achieving steady annual growth.

**STATEMENT UNDER SECTION XIX OF THE CODE OF CORPORATE GOVERNANCE**

The Board is committed to ensure that requirements of corporate governance set by Securities and Exchange Commission of Pakistan are fully met. The Group has adopted good Corporate Governance practices and the directors are pleased to report that:

- The financial statements present fairly the state of affairs of the Group, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Group have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Banks in Pakistan have been followed in the preparation of the Accounts of financial statements without any departure there-from.
- The system of internal control in the Group is sound in design, and effectively implemented and monitored.
- There is no reason whatsoever to doubt your Group's ability to continue as a going concern.
- There has been no material departure from the best practice of Corporate Governance, in accordance with the relevant regulations.
- Your Board has appointed the following four Committees with defined terms of references.

Board Executive Committee  
 Board Credit Committee  
 Board Human Resources & Compensation Committee  
 Board Audit Committee

- A summary of key operating and financial data of the last ten years is annexed to the audited accounts.

- The Group operates five post retirement schemes, Pension, Gratuity, Benevolent, Provident fund and Post retirement medical. The details and asset values are given in notes 37 and 38 of the audited financial statements of 2004.

### Risk Management Framework

In order to comply with SBP guidelines on risk management, our bank has with the approval of its board, chalked out a broad plan, which entails review, realignment and fine-tuning of policies & procedures. A significant part of the plan has already been developed and implemented to meet SBP guidelines. A few of such initiatives include:

- Introduction of a standard credit application package that covers both general and industry-specific risk acceptance criteria. We have managed to develop and implement risk acceptance criteria for two industry segments, while others are in process and once developed these would replace the general risk acceptance criteria.
- Development of a risk rating structure that ensures provides a higher degree of sophistication to measure credit risk.
- Finalisation of the evaluation process for acquisition of a risk management system and we are now in the process of acquiring the required software to implement the same.
- Development of bank's policies and procedures on Country Risk Management and its approval by the Board of Directors.
- Setting up of the Business Risk Review Department to ensure quality of the overall credit approval and risk management processes.

Other initiatives in process include restructuring and realigning delegation of credit approval authority in conjunction with the new sophisticated risk management initiatives, development of a Risk Based Pricing Model to track the capital requirements of the businesses, designing of appropriate risk concentration models and defining the peak exposure levels per industry/borrower/risk grade.

The progress on the various initiatives undertaken by the Bank to comply with the SBP risk management guidelines are communicated on a quarterly basis to the State Bank of Pakistan. We expect to fully implement these initiatives by June 2005.

### VALUE OF INVESTMENTS IN EMPLOYEE RETIREMENT BENEFIT FUNDS

The following is the value of investments of provident, gratuity, pension and benevolent funds maintained by the Bank based on latest audited financial statements as at December 31, 2003:

	<b>Amount in '000</b>
United Bank Limited - Employees' Provident Fund	2,000,753
United Bank Limited - Employees' Gratuity Fund	345,346
United Bank Limited - Staff Pension Fund	5,218,249
United Bank Limited - Officers / Non-Officers Benevolent Fund	563,540

### MEETINGS OF THE BOARD

During the year under report, the Board of Directors met five times. The number of meetings attended by each director during the year is shown below:

Name	Attendance
His Highness Shaikh Nahayan Mabarak Al Nahayan, Chairman	4
Sir Mohammed Anwar Pervez, OBE, Hpk, Deputy Chairman	5
Mr. Omar Z. Al Askari, Director	4
Mr. Zameer Mohammed Choudrey, Director	5
Mr. Javed Sadiq Malik, Director	2
Mr. Muhammad Tahsin Khan Iqbal, Director	4
Mr. Ahmed Waqar, Director	4
Mr. Amar Zafar Khan, President and Chief Executive Officer (upto May 2004)	2
Mr. Atif R. Bokhari, President and Chief Executive Officer	3

### PATTERN OF SHAREHOLDING

The pattern of shareholding as required u/s 236 of the Companies Ordinance, 1984 and Article (xix) of the Code of Corporate Governance is given below:

Shareholders	Number of shares	Percentage holding
State Bank of Pakistan	252,194,323	48.69
Bestway Group	132,090,000	25.5
Abu Dhabi Group	132,090,000	25.5
Government of Pakistan	1,419,447	0.27
National Bank of Pakistan, Trustee Department	70,702	0.01
State Life Insurance Corporation of Pakistan	53,262	0.01
Sui Southern Gas Company Limited	50,197	0.01
Investment Corporation of Pakistan	29,260	0.01
Metropolitan Steel Corporation	1,646	-
Privatization Commission	727	-
Pakistan Reinsurance Company Limited	435	-
Securities and Exchange Commission of Pakistan	1	-
	518,000,000	100

### CHANGE IN MANAGEMENT

During the year, Mr. Amar Zafar Khan requested to step down as the President & CEO and Mr. Atif R. Bokhari was appointed President & CEO of the Bank. On behalf of the board, I would like to place on record our deepest gratitude to Amar for the efforts put in by him both pre and post privatization and wish him the very best in his future endeavours.

I take this opportunity to express my gratitude to our valued customers for the sustained support to the Bank, to the employees for their contribution and commitment towards the Bank and to the State Bank of Pakistan for their guidance and co-operation.

### AUDITORS

The present auditors M/s A F Ferguson & Co Chartered Accountants and M/s Taseer Hadi Khalid & Co Chartered Accountants retire and being eligible offer themselves for re-appointment in the forthcoming Annual General Meeting. The Board of Directors on the suggestion of the Audit Committee recommended M/s A F Ferguson & Co., Chartered Accountants and M/s Taseer Hadi Khalid & Co., Chartered Accountants for the next term.

### CONCLUSION

In conclusion, I extend my thanks and appreciation to UBL shareholders and customers as well as to my fellow members of the Board of Directors for their trust and support, and acknowledge the effort and dedication demonstrated by our staff members. We also express our earnest appreciation to the Government and the State Bank of Pakistan for their unfaltering support.

For and on behalf of the Board of Directors



Nahayan Mabarak Al Nahayan  
Chairman

Abu Dhabi

Date: January 31, 2005

**STATEMENT OF COMPLIANCES WITH THE CODE OF CORPORATE GOVERNANCE  
YEAR ENDED DECEMBER 31, 2004**

This statement is being presented to comply with the Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan and made applicable by the State Bank to banks in June 2002 to the extent of applicability under Prudential Regulation XXIX and BSD Circular No. 15 dated June 13, 2002 for the purpose of establishing a framework of good governance, to manage a Bank in compliance with the best practices of corporate governance.

The Board of Directors has adopted the Code of Corporate Governance and applied the principles contained in the Code in the following manner:

- 1 Except for the Chief Executive Officer, all other directors, including its Chairman and Deputy Chairman are non-executive directors.
- 2 The directors have confirmed that none of them is serving as a director in more than ten listed companies.
- 3 All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4 No casual vacancy occurred in the Board during the year.
- 5 The Bank has prepared a "Statement of Ethics and Business Practices" which was adopted by the Board of Directors, which is being circulated for signatures by all the employees of the Bank.
- 6 The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Bank. A set of significant policies are maintained by the Bank.
- 7 All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
- 8 The meetings of the Board were presided over by the Chairman and, in his absence, by the Deputy Chairman. The Board met atleast once in every quarter. Written notices of the Board meeting, along with agenda and working papers, were circulated atleast seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated. The Company Secretary and CFO attend the meetings of the Board of Directors.
- 9 The Board has been notified of the approval of the Board's Human Resources and Compensation Committee for the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the Chief Executive Officer. Copies of the employment contracts were circulated to the Board of Directors.
- 10 The Board arranged orientation course for its directors to apprise them of their duties and responsibilities.
- 11 The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- 12 The financial statements of the Bank were duly endorsed by the CEO and CFO before approval of the Board.
- 13 The directors, CEO and executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.
- 14 The Bank has complied with all the corporate and financial reporting requirements.
- 15 The Board has formed an audit committee. It comprises of 3 members, all of whom are non-executive directors including the Chairman of the Committee.



- 16 The meetings of the audit committee are held at least once every quarter prior to approval of interim and final results of the Bank and as required by the Code. The terms of reference of the committee have been formulated and advised to the committee for compliance.
- 17 The Board has set-up an effective internal audit function. Personnel of the Internal Audit Department are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank and they are involved in the internal audit function on a full time basis.
- 18 The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 19 The statutory auditors or the persons associated with them have not been appointed to provide services other than approved services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 20 We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board of Directors



Nahayan Mabarak Al Nahayan  
Chairman

Abu Dhabi

Dated: January 31, 2005



## STATEMENT OF INTERNAL CONTROLS

### REPORTING ON INTERNAL CONTROL SYSTEM

It is the responsibility of bank's management to establish and maintain an adequate and effective system of internal control that could help in bank's endeavor to attain a professional and efficient working environment through out the bank. The Internal Control Systems comprises of control procedures and control environment.

Management ensures the efficient and effective Internal Control System by identifying control objectives, reviewing pertinent policies / procedures and establishing relevant control procedures. All policies and procedures are reviewed and compared with existing practices and necessary amendments made where required on timely basis.

Alongside this appropriate test of transactions, observation of control environment, sharing of findings on Internal Control Systems and ensuring relevant appropriate follow ups / corrective actions are also been done by the management on regular basis.

Internal Control System in the bank is designed to manage, rather than eliminate the risk of failure to achieve the business objectives, and can only provide reasonable and not absolute assurance against material mis-statement or loss.

### EVALUATION OF EXISTING INTERNAL CONTROL SYSTEMS

The bank has made its efforts to ensure during the year 2004 than an effective and efficient internal control system is implemented and no compromise is made in implementing the desired control procedures and maintaining a suitable control environment in general. However it is an ongoing process that includes identification, evaluation and management of significant risks faced by the bank.

The observations and weaknesses found and identified by the auditors, both internal and external, have been taken care of and necessary steps have been taken by the management in the due time so as to ensure non-repetition of those exceptions and eliminations of such weaknesses to the maximum possible level. The management has also given timely and satisfactory response to the recommendations and suggestions made by its auditors.

We assess that the internal control system, customer services and operation has improved as compared to previous year in all areas / departments of the bank. Further due attention and focus is on to enhance competence level and knowledge of the staff.



**AAMEER KARACHIWALA**  
Group Chief Financial Officer



**JAWED AKHLAQ**  
Head Compliance



**M. EJAZUDDIN**  
Group Audit & Inspection Head

**A.F. FERGUSON & CO**  
**CHARTERED ACCOUNTANTS**

*State Life Building No.1-C,  
I.I. Chundrigar Road,  
Karachi*

**TASEER HADI KHALID & CO**  
**CHARTERED ACCOUNTANTS**

*Sheikh Sultan Trust  
Building No. 2, Beaumont Road,  
Karachi*

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of United Bank Limited as at December 31, 2004 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended, in which are incorporated the unaudited certified returns from the branches except for 61 branches which have been audited by us and 15 branches audited by auditors abroad and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's Board of Directors to establish and maintain a system of internal control and prepare and present the financial statements in conformity with approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

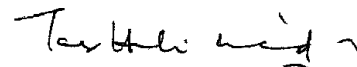
We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, which in the case of loans and advances covered more than sixty percent of the total loans and advances of the Bank, we report that:

- a) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984) and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962) and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in notes 5.3 and 5.9 to the financial statements, with which
  - (ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- c) in our opinion and to the best of our information and according to the explanations given to us the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's affairs as at December 31, 2004 and its true balance of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

The financial statements of the bank for the year ended December 31, 2003 were audited by A.F.Ferguson & Co, Chartered Accountants and Ford Rhodes Sidat Hyder & Co, Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated February 15, 2004.



**A. F. FERGUSON & Co.**  
**Chartered Accountants**



**TASEER HADI KHALID & Co.**  
**Chartered Accountants**

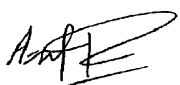
Karachi

Dated: January 31, 2005

**BALANCE SHEET AS AT DECEMBER 31, 2004**

	Note	2004 (Rupees in '000)	2003 Restated
<b>ASSETS</b>			
Cash and balances with treasury banks	6	23,844,435	17,274,461
Balances with other banks	7	17,699,334	11,386,434
Lendings to financial institutions	8	16,262,504	23,096,028
Investments	9	54,953,728	56,516,760
Advances			
Performing	10	141,767,569	92,513,736
Non-performing	10	4,481,615	3,611,442
Other assets	11	4,393,852	3,001,793
Fixed assets	12	3,969,006	3,754,236
Taxation recoverable	13	45,728	283,171
Deferred tax asset - net	13	5,194,892	5,486,357
		272,612,663	216,924,418
<b>LIABILITIES</b>			
Bills payable	15	3,811,284	2,975,910
Borrowings from financial institutions	16	11,975,684	7,710,375
Deposits and other accounts	17	230,256,627	185,071,502
Sub-ordinated loans	18	3,500,000	-
Liabilities against assets subject to finance lease	19	288	39,995
Other liabilities	20	3,513,569	4,541,704
Deferred liabilities	21	2,191,180	1,535,059
		255,248,632	201,874,545
<b>NET ASSETS</b>			
		17,364,031	15,049,873
<b>REPRESENTED BY:</b>			
Share capital	22	5,180,000	5,180,000
Reserves		5,915,928	4,678,317
Unappropriated profit		3,274,439	1,384,490
		14,370,367	11,242,807
Surplus on revaluation of assets	23	2,993,664	3,807,066
		17,364,031	15,049,873
<b>CONTINGENCIES AND COMMITMENTS</b>			
	24		

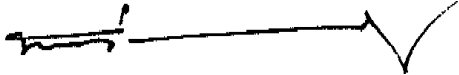
The annexed notes 1 to 51 and annexures form an integral part of these financial statements.




Atif R. Bokhari  
President and  
Chief Executive Officer



Ahmad Waqar  
Director



Sir Mohammed Anwar Pervez, OBE, HPk  
Deputy Chairman



Nahayan Mabarak Al Nahayan  
Chairman

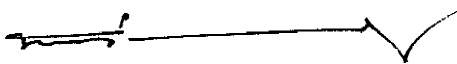
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2004**


	Note	2004 (Rupees in '000)	2003 Restated
Mark-up / return / interest earned	26	9,233,881	8,944,260
Mark-up / return / interest expensed	27	1,732,760	1,888,349
Net mark-up / interest income		<u>7,501,121</u>	<u>7,055,911</u>
Provision against non-performing loans and advances - net	10.3	435,414	444,871
Provision / (reversal) for diminution in value of investments - net	9.3	(100,381)	104,285
Bad debts written off directly	10.4	3,841	12,897
		<u>338,874</u>	<u>562,053</u>
Net mark-up / return / interest income after provisions		<u>7,162,247</u>	<u>6,493,858</u>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee, commission and brokerage income		1,654,475	1,442,642
Dividend income / gain on sale of investments	28	1,102,510	2,057,314
Income from dealing in foreign currencies		668,085	436,656
Other income	29	981,154	607,500
Total non mark-up / return / interest income		<u>4,406,224</u>	<u>4,544,112</u>
		11,568,471	11,037,970
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Administrative expenses	30	6,702,709	6,153,913
Other provisions / write offs / (reversals)	31	(34,422)	551,840
Other charges	32	10,456	5,501
Total non mark-up / interest expenses		<u>6,678,743</u>	<u>6,711,254</u>
Extraordinary items		-	-
<b>PROFIT BEFORE TAXATION</b>		<b>4,889,728</b>	<b>4,326,716</b>
Taxation - Current - for the year	33	283,083	193,050
- for prior years	33	285,201	223,070
- Deferred	33	619,900	1,274,978
		<u>1,188,184</u>	<u>1,691,098</u>
<b>PROFIT AFTER TAXATION</b>		<b>3,701,544</b>	<b>2,635,618</b>
Unappropriated profit / (accumulated loss) brought forward		<u>1,384,490</u>	<u>(797,100)</u>
		5,086,034	1,838,518
Transfer from surplus on revaluation of fixed assets			
Current year - net of tax	23.1	94,214	73,096
Profit before appropriations		<u>5,180,248</u>	<u>1,911,614</u>
<b>APPROPRIATIONS</b>			
Transfer to:			
Statutory reserve		(740,309)	(527,124)
Capital reserve		-	-
Revenue reserve		-	-
Cash dividend for 2003		(1,165,500)	-
		<u>(1,905,809)</u>	<u>(527,124)</u>
Unappropriated profit carried forward		<u>3,274,439</u>	<u>1,384,490</u>
			(Rupees)
<b>Basic earnings per share</b>	34	<u>7.15</u>	<u>5.09</u>
<b>Diluted earnings per share</b>	34	<u>7.15</u>	<u>5.09</u>

The annexed notes 1 to 51 and annexures form an integral part of these financial statements.

  
 Atif R. Bokhari  
 President and  
 Chief Executive Officer

  
 Ahmad Waqar  
 Director

  
 Sir Mohammed Anwar Pervez, OBE, HPk  
 Deputy Chairman

  
 Nahayan Mabarak Al Nahayan  
 Chairman

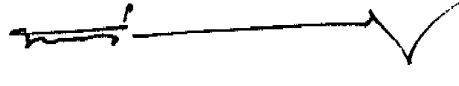
**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2004**


	Note	2004	2003
(Rupees in '000)			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		4,889,728	4,326,716
Less: Dividend income		(154,565)	(80,315)
		4,735,163	4,246,401
Adjustments for non-cash charges			
Depreciation		407,624	354,082
Amortisation		-	261,769
Provision for retirement benefits		660,275	754,360
Provision against non-performing advances		435,414	444,871
(Reversals) / Provision for diminution in the value of investments		(100,381)	104,285
Provision against off balance sheet items		-	492,000
Gain on sale of fixed assets		(11,797)	(12,882)
Finance charges on leased assets		2,903	10,320
Bad debts written-off		3,841	107,530
Reversals against other assets		(34,422)	(11,363)
		1,363,457	2,504,972
		6,098,620	6,751,373
(Increase) / decrease in operating assets			
Lendings to financial institutions		6,833,524	(15,423,234)
Held for trading securities		5,988,861	(8,499,788)
Advances - net		(50,563,261)	(27,820,078)
Others assets (excluding advance taxation)		(1,004,375)	386,427
		(38,745,251)	(51,356,673)
Increase / (decrease) in operating liabilities			
Bills payable		835,374	1,142,929
Borrowings from financial institutions		4,265,309	2,363,026
Deposits		45,185,125	26,808,007
Other liabilities		(1,028,135)	(1,577,737)
		49,257,673	28,736,225
		16,611,042	(15,869,075)
Staff retirement benefits paid		(268,509)	(55,250)
Income tax paid		(330,841)	(384,579)
Net cash flow from operating activities		16,011,692	(16,308,904)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in securities		(5,373,071)	19,831,719
Dividend received		65,658	77,756
Investments in operating fixed assets		(625,818)	(450,056)
Sale proceeds of property and equipment disposed-off		15,221	19,063
Net cash flow from investing activities		(5,918,010)	19,478,482
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipt of sub-ordinated loan		3,500,000	-
Dividend paid		(1,165,500)	-
Payment of lease obligations		(42,610)	(51,873)
Net cash flow from financing activities		2,291,890	(51,873)
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates		497,302	(92,159)
Effects of exchange rate changes on cash and cash equivalents		-	97,339
Increase / (decrease) in cash and cash equivalents during the year		12,882,874	3,122,885
Cash and cash equivalents at beginning of the year		28,660,895	25,538,010
Cash and cash equivalents at end of the year	35	41,543,769	28,660,895

The annexed notes 1 to 51 and annexures form an integral part of these financial statements.

  
Atif R. Bokhari  
President and  
Chief Executive Officer

  
Ahmad Waqar  
Director

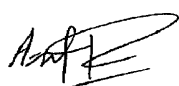
  
Sir Mohammed Anwar Pervez, OBE, HPk  
Deputy Chairman

  
Nahayan Mabarak Al Nahayan  
Chairman

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2004**

	Share Capital	Statutory Reserve	Exchange Translation Reserve	(Accumulated Loss) / Unappropriated Profit	Total
	(Rupees in '000)				
Balance as at December 31, 2002	5,180,000	2,678,348	1,565,004	(797,100)	8,626,252
Profit after taxation for the year ended December 31, 2003	-	-	-	2,635,618	2,635,618
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	73,096	73,096
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates	-	-	(92,159)	-	(92,159)
Transfer to statutory reserve	-	527,124	-	(527,124)	-
Proposed cash dividend	-	-	-	(1,165,500)	(1,165,500)
Balance as at December 31, 2003 - as reported earlier	<u>5,180,000</u>	<u>3,205,472</u>	<u>1,472,845</u>	<u>218,990</u>	<u>10,077,307</u>
<b>Effect of change in accounting policy (note 5.9)</b>					
Final dividend for the year ended December 31, 2003	-	-	-	1,165,500	1,165,500
Balance as at December 31, 2003 - restated	<u>5,180,000</u>	<u>3,205,472</u>	<u>1,472,845</u>	<u>1,384,490</u>	<u>11,242,807</u>
<b>Effect of change in accounting policy (note 5.9)</b>					
Final dividend for the year ended December 31, 2003	-	-	-	(1,165,500)	(1,165,500)
Profit after taxation for the year ended December 31, 2004	-	-	-	3,701,544	3,701,544
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	94,214	94,214
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates	-	-	497,302	-	497,302
Transfer to statutory reserve	-	740,309	-	(740,309)	-
Balance as at December 31, 2004	<u><u>5,180,000</u></u>	<u><u>3,945,781</u></u>	<u><u>1,970,147</u></u>	<u><u>3,274,439</u></u>	<u><u>14,370,367</u></u>


The annexed notes 1 to 51 and annexures form an integral part of these financial statements.



Atif R. Bokhari  
President and  
Chief Executive Officer



Ahmad Waqar  
Director



Sir Mohammed Anwar Pervez, OBE, HPk  
Deputy Chairman



Nahayan Mabarak Al Nahayan  
Chairman

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

### 1. STATUS AND NATURE OF BUSINESS

United Bank Limited is incorporated in Pakistan and is engaged in commercial banking and related services. The bank's registered and principal office is situated in State Life Building No. 1, I. I. Chundrigar Road, Karachi. The Bank operates 1057 (2003: 1062) branches in Pakistan and 15 (2003: 15) branches outside Pakistan.

### 2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

### 3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The State Bank of Pakistan as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking Companies till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these financial statements. However, investments have been classified in accordance with the categories prescribed by the State Bank of Pakistan vide BSD Circular No. 10 dated July 13, 2004.

### 4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, certain investments are stated at market value, derivative financial instruments have been marked to market, assets and liabilities of foreign branches are translated at year-end rate of exchange, and certain staff retirement benefits are carried at present value.

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 5.1 Cash and cash equivalents

Cash and cash equivalents represent cash and balances with treasury banks, balances with other banks in current and deposit accounts.

#### 5.2 Lendings to / borrowings from financial institutions

The Bank enters into transactions of repos and reverse repos at contracted rates for a specified period of time. These are recorded as under:

(a) Sale under repurchase obligations

Securities sold subject to a re-purchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued over the period of the agreement and recorded as an expense.

(b) Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are included in lendings to financial institutions. The differential between the contracted price and resale price is amortised over the period of the agreement and recorded as income.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004****5.3 Investments**

The Bank classifies its investments as follows:

(a) Held for trading

These are securities, which are either acquired for generating a profit from short-term fluctuation in market prices, interest rate movements, dealers margin or are securities included in a portfolio in which a pattern of short-term profit making exists.

(b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity.

(c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories.

In accordance with the requirements of State Bank of Pakistan, quoted securities other than those classified under held to maturity portfolio and investments in subsidiaries and associates are stated at market value .

During the year, the bank has changed its accounting policy in respect of accounting for unrealized surplus / deficit arising on revaluation of held for trading investment portfolio. As per the new policy, surplus / (deficit) arising on revaluation of the bank's held for trading investment portfolio is taken to the profit and loss account. This change has been made to comply with the requirements laid down in BSD Circular No. 10 dated July 13, 2004, issued by the State Bank of Pakistan. Previously, this surplus / deficit was being shown in the balance sheet below equity as required by the State Bank of Pakistan's BSD Circular No. 20 dated August 04, 2000.

In accordance with the allowed alternative treatment specified in International Accounting Standard 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies), the effect of this change in accounting policy has been recognised in the current year and the comparative information has not been restated. Had the accounting policy not been changed, the profit before taxation for the year ended December 31, 2004 would have been lower by Rs. 1.044 million. Restated proforma information which assumes that the new policy had always been in use is given in note 25 to these financial statements.

During the current year, the bank has also changed its accounting policy in respect of valuation of investments classified as held to maturity. According to the new policy, these investments are carried at amortized cost. Previously, these investments were marked to market as per the requirements of SBP's BSD Circular No. 20 dated August 4, 2000 and the related surplus / deficit was shown in the balance sheet below equity. This change has been made to comply with the requirements laid down in BSD Circular No. 14 dated September 24, 2004, issued by the State Bank of Pakistan. The change in accounting policy did not have any impact on the profit and loss account for the current and the prior period. Had the accounting policy not been changed, the surplus on revaluation of assets as at December 31, 2004 would have been higher by 137.681 million.

The surplus / (deficit) arising on quoted securities classified as available for sale is kept in a separate account shown in the balance sheet below equity.

Unquoted equity securities are valued at the lower of cost and break-up value. Subsequent increases or decreases in the carrying value are credited/charged to income. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses.

Investments in subsidiaries and associates are stated at cost. Exchange differences arising on translation of foreign subsidiaries and associates are included in the cost.

Provision for diminution in the values of securities (except debentures, participation term certificates and term finance certificates) is made after considering permanent impairment, if any, in their value. Provisions for diminution in value of debentures, participation term certificates and term finance certificates are made as per the Prudential Regulations issued by the State Bank of Pakistan.

Profit and loss on sale of investments is included in income currently.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

### 5.4 Advances

Advances are stated net of general and specific provisions.

Provisions for domestic advances are made in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan and charged to the profit and loss account.

General and specific provisions pertaining to overseas advances are made to meet the requirements of monetary agencies and regulatory authorities of the respective countries.

### 5.5 Fixed assets and depreciation

#### Owned

Property and equipment are stated at cost or revalued amount less accumulated depreciation and impairment loss (if any). Capital work-in-progress is stated at cost. Cost of fixed assets of foreign branches includes exchange difference arising on translation at year-end rates.

Depreciation is calculated so as to write off the assets over their expected economic lives at varying rates and methods depending on the nature of the asset and the country of its location. No depreciation is charged on freehold land.

Depreciation on additions is charged from the month in which the asset is put to use and on disposals upto the month of disposal.

Land and buildings are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value.

Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred by the bank to unappropriated profit.

Gains and losses on sale of fixed assets are included in income currently, except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalised and the assets so replaced, if any, are retired, Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

#### Leased

Assets held under finance leases are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods.

The finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of return on the outstanding liability.

Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Bank.

### 5.6 Taxation

#### Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned from local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax is calculated using prevailing tax rates or tax rates expected to apply to the profits for the year at enacted rates or minimum tax at the rate of 0.5% of turnover which ever is higher. The charge for the current tax also includes adjustments, where considered necessary relating to prior years, arising from assessments made during the year.

#### Deferred

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. In addition, the bank also records deferred tax asset on available tax losses. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

A deferred tax asset is recognised only to the extent that it is possible that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of the revised International Accounting Standard (IAS) 12 dealing with Income Taxes.

### 5.7 Provisions

Provisions are recognised when the bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

### 5.8 Staff retirement and other benefits

#### 5.8.1 Staff retirement benefit schemes

- a) The bank operates the following staff retirement schemes for its employees
  - approved funded pension scheme, introduced in 1986 (defined benefit scheme); and
  - approved non-contributory provident fund in lieu of the contributory provident fund.
- b) For new employees and for those who opted for new scheme introduced in 1991, the bank operates
  - approved contributory provident fund (defined contribution scheme); and
  - approved gratuity scheme (defined benefit scheme).

In the year 2001, the bank modified the pension scheme and introduced a conversion option for employees covered under scheme (a) above to scheme (b). This option ceased on December 31, 2003.

The bank also operates a contributory benevolent fund for all its employees (defined benefit scheme).

Annual contributions towards the defined benefit schemes are made on the basis of actuarial advice using the Projected Unit Credit Method.

#### 5.8.2 Other benefits

- a) Employees' compensated absences

The bank provides for compensated vested and non-vested absences accumulated by its employees on the basis of actuarial advice under the Projected Unit Credit Method.

- b) Post retirement medical benefits (defined benefit scheme)

The bank provides post retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefit on the basis of actuarial advice under the Projected Unit Credit Method.

### 5.9 Proposed dividend

During the current year the bank has changed its accounting policy pertaining to recognition of dividends declared subsequent to the year end. The change has been made consequent to the amendment made by the Securities and Exchange Commission of Pakistan in the Companies Ordinance, 1984 and the new policy is in accordance with the requirements of IAS 10 (Events after the Balance Sheet Date). As per the new policy dividends declared subsequent to the balance sheet date are considered as a non-adjusting event and are not recognised in the financial statements as liability. Previously such dividend declarations were being treated as adjusting events in the financial statements of the bank and were recorded as liability. The change in accounting policy has been applied retrospectively and comparative information has been restated in accordance with the benchmark treatment specified in IAS 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies). Had there been no change in the accounting policy, the unappropriated profit would have been lower and other liabilities would have been higher for the year ended December 31, 2003 by Rs 1,166 million.

The effect of the change in accounting policy has been reflected in the statement of changes in equity. The change in accounting policy has not resulted in any change in the profit for the current year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

### 5.10 Revenue Recognition

Advances and investments

Mark-up/return on regular loans/advances and investments is recognized on accrual basis. Where debt securities are purchased at premium or discount, those premiums/discounts are amortized through the profit and loss account over the remaining period of maturity.

Interest or mark-up recoverable on classified loans and advances and investments is recognized on receipt basis. Interest / return / mark-up on rescheduled/restructured loans and advances and investments is recognized as permitted by the regulations of the State Bank of Pakistan or overseas regulatory authorities of countries where the branches operate, except where in the opinion of the management, it would not be prudent to do so.

Dividend income is recognized when the right to receive the dividend is established.

Fees, brokerage and commission on letters of credit / guarantee and others is recognized on accrual basis.

### 5.11 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to profit and loss account.

### 5.12 Foreign Currencies

#### a) Foreign currency transactions

Transactions in foreign currencies are translated to rupees at the foreign exchange rates ruling on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange ruling on the balance sheet date except that certain deposits, which are covered by forward foreign exchange contracts, are translated at contracted rates. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

#### b) Foreign entities

The assets and liabilities of foreign entities are translated to rupees at exchange rates prevailing at the balance sheet date. The results of foreign entities are translated at the average rate of exchange for the year.

#### c) Translation gains and losses

Translation gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign branches, subsidiaries and associates, which are taken to capital reserve (Exchange Translation Reserve).

#### d) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at forward rates applicable to their respective maturities. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange ruling on the balance sheet date.

### 5.13 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the bank intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>2004</b>	<b>2003</b>
	(Rupees in '000)	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	3,785,931	2,939,239
Foreign currency	956,948	615,341
With State Bank of Pakistan in		
Local currency current account	12,153,975	7,938,429
Local currency deposit account	3,864	3,864
Foreign currency deposit account	1,625,303	1,221,734
With other central banks in foreign currency current account	3,590,239	3,164,825
With National Bank of Pakistan in local currency account	1,681,685	1,357,486
National Prize Bonds	46,490	33,543
	<u>23,844,435</u>	<u>17,274,461</u>

**6.1** Deposits with State Bank of Pakistan are maintained to comply with the statutory requirements issued from time to time. Deposits with other central banks are maintained to meet the minimum cash reserves and capital requirements pertaining to the foreign branches of the Bank.

	<b>Note</b>	<b>2004</b>	<b>2003</b>
		(Rupees in '000)	
<b>7. BALANCES WITH OTHER BANKS</b>			
Outside Pakistan			
In current accounts		1,815,012	180,439
In deposit accounts		15,884,322	11,205,995
		<u>17,699,334</u>	<u>11,386,434</u>

**8. LENDINGS TO FINANCIAL INSTITUTIONS**

Call money lendings		1,876,465	840,000
Repurchase agreement lendings	8.1	8,011,490	18,210,791
Lendings to banks / financial institutions		6,374,549	4,045,237
		<u>16,262,504</u>	<u>23,096,028</u>

<b>2004</b>			
	<b>Held by Bank</b>	<b>Further given as collateral</b>	<b>Total</b>
(Rupees in '000)			
<b>8.1 Securities held as collateral against lendings to financial institutions</b>			
Market Treasury Bills	2,936,904	491,586	3,428,490
Pakistan Investment Bonds	4,583,000	-	4,583,000
	<u>7,519,904</u>	<u>491,586</u>	<u>8,011,490</u>
<b>2003</b>			
	<b>Held by Bank</b>	<b>Further given as collateral</b>	<b>Total</b>
(Rupees in '000)			
Market Treasury Bills	15,214,791	-	15,214,791
Pakistan Investment Bonds	2,996,000	-	2,996,000
	<u>18,210,791</u>	<u>-</u>	<u>18,210,791</u>

**8.2** These lendings carry mark-up at rates ranging from 1.25% to 6.5% (2003: 0.8% to 6.7%) per annum.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

Note	2004			2003		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total

(Rupees in '000)

**9. INVESTMENTS**
**9.1 Investments by types**
**Held for trading**

Market Treasury Bills	1,340,956	1,045,006	2,385,962	5,225,000	-	5,225,000
Ordinary shares of listed companies	-	-	-	685,250	-	685,250
Term Finance Certificates	122,950	-	122,950	-	-	-
Pakistan Investment Bonds	971	-	971	2,589,538	-	2,589,538
	1,464,877	1,045,006	2,509,883	8,499,788	-	8,499,788

**Available for sale**

Market Treasury Bills	13,893,796	1,097,647	14,991,443	12,539,307	2,669,522	15,208,829
Pakistan Investment Bonds	4,072,246	-	4,072,246	7,240,336	-	7,240,336
Federal Investment Bonds	-	-	-	318,608	-	318,608
Ordinary shares of listed companies	752,602	-	752,602	594,778	-	594,778
Units of mutual fund	350,000	-	350,000	350,000	-	350,000
Term Finance Certificates	341,960	-	341,960	-	-	-
Ordinary shares of unlisted companies	303,392	-	303,392	303,349	-	303,349
Commercial paper	-	-	-	78,490	-	78,490
	19,713,996	1,097,647	20,811,643	21,424,868	2,669,522	24,094,390

**Held to maturity**

Term Finance Certificates	8,297,548	-	8,297,548	6,430,364	-	6,430,364
Government of Pakistan - Guaranteed bonds	5,699,540	-	5,699,540	5,249,173	-	5,249,173
CIRC bonds	4,054,883	-	4,054,883	4,054,883	-	4,054,883
Pakistan Investment Bonds	3,837,791	2,091,533	5,929,324	-	-	-
Foreign currency bonds	2,024,073	-	2,024,073	2,280,646	-	2,280,646
Foreign securities	1,542,249	-	1,542,249	1,127,986	-	1,127,986
Government of Pakistan - US \$ / Euro bonds	1,403,469	-	1,403,469	1,235,859	-	1,235,859
Debentures	176,277	-	176,277	196,667	-	196,667
CDC SAARC Fund	124,144	-	124,144	279,245	-	279,245
Participation Term Certificates	77,267	-	77,267	94,687	-	94,687
Federal Investment Bonds	45,026	-	45,026	-	-	-
Provincial Government Securities	1,207	-	1,207	31,207	-	31,207
	27,283,474	2,091,533	29,375,007	20,980,717	-	20,980,717

**Associates**

Oman United Exchange Company, Muscat	15,436	-	15,436	14,909	-	14,909
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**Subsidiaries**

United National Bank, UK	1,889,313	-	1,889,313	1,688,739	-	1,688,739
United Bank AG Zurich, Switzerland	525,209	-	525,209	464,228	-	464,228
Domestic Subsidiaries	32,600	-	32,600	32,600	-	32,600
	2,447,122	-	2,447,122	2,185,567	-	2,185,567
	50,924,905	4,234,186	55,159,091	53,105,849	2,669,522	55,775,371

Provision for diminution in the value of investments	9.3	(540,402)	(540,402)	(640,229)	-	(640,229)
Surplus / (deficit) on revaluation of available for sale investments	23.2	334,626	(631)	333,995	1,381,618	1,381,618
Surplus / (deficit) on revaluation of held for trading investments		1,069	(25)	1,044	-	-

Investments (net of provisions)	<u>50,720,198</u>	<u>4,233,530</u>	<u>54,953,728</u>	<u>53,847,238</u>	<u>2,669,522</u>	<u>56,516,760</u>
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
(Rupees in '000)			
<b>9.2 Investments by segments</b>			
<b>Federal Government Securities</b>			
Market Treasury Bills		17,377,405	20,342,718
Pakistan Investment Bonds		10,002,541	9,829,874
Foreign currency bonds		2,024,073	2,280,646
Government of Pakistan - US Dollar / Euro bonds		1,403,469	1,235,859
Federal Investment Bonds		45,026	318,608
		30,852,514	34,007,705
<b>Provincial Government Securities</b>		1,207	31,207
<b>Overseas Governments' Securities</b>			
Foreign securities		1,284,123	971,718
Market Treasury Bills		96,317	91,111
		1,380,440	1,062,829
<b>Other Overseas Securities</b>			
CDC SAARC fund		124,144	279,245
Foreign securities		161,809	156,268
		285,953	435,513
<b>Fully Paid-up Ordinary Shares</b>			
Unlisted companies		303,392	303,349
Listed companies		752,602	1,280,028
		1,055,994	1,583,377
<b>Term Finance Certificates, Debentures, Bonds and Participation Term Certificates</b>			
Term Finance Certificates			
Listed		8,116,726	1,353,456
Unlisted		645,732	5,076,908
		8,762,458	6,430,364
Bonds		9,754,423	9,304,056
Debentures		176,277	196,667
Participation Term Certificates		77,267	94,687
Commercial paper		-	78,490
		18,770,425	16,104,264
Investments in mutual fund (listed)		350,000	350,000
<b>Investments in subsidiaries and associates</b>		2,462,558	2,200,476
		55,159,091	55,775,371
Provision for diminution in the value of investments	9.3	(540,402)	(640,229)
Surplus on revaluation of available for sale investments	23.2	333,995	1,381,618
Surplus on revaluation of held for trading investments		1,044	-
<b>Investments (net of provisions)</b>		<b>54,953,728</b>	<b>56,516,760</b>

**9.3 Particulars of provision for diminution in value of investments**

Opening balance		640,229	570,056
Exchange adjustment		3,970	-
Charged during the year		-	182,269
Reversed during the year		(100,381)	(77,984)
Transfers		17,011	(12,456)
Written off during the year		(20,427)	(21,656)
Closing balance		<b>540,402</b>	<b>640,229</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

**9.4** Investments include Rs 287 million (2003: Rs 782 million) held by the State Bank of Pakistan and National Bank of Pakistan as pledge against demand loan, TT / DD discounting facilities and foreign exchange exposure limit sanctioned to the Bank.

**9.5** Information relating to investments in shares of listed and unlisted companies, redeemable capital, debentures and bonds, required to be disclosed as part of the financial statements under State Bank of Pakistan's BSD Circular No. 36 dated October 10, 2001, is given in Annexure 'A'.

	Note	Performing		Non-performing	
		2004	2003	2004	2003
----- (Rupees in '000) -----					
<b>10. ADVANCES</b>					
<b>Loans, cash credits, running finances, etc.</b>					
In Pakistan		113,521,983	74,934,525	11,827,862	10,354,782
Outside Pakistan		15,539,930	10,762,277	6,152,872	6,250,428
		129,061,913	85,696,802	17,980,734	16,605,210
<b>Bills discounted and purchased (excluding government treasury bills)</b>					
Payable in Pakistan		3,871,559	2,247,692	286,514	252,687
Payable outside Pakistan		7,767,493	4,080,137	1,836,085	2,058,603
		11,639,052	6,327,829	2,122,599	2,311,290
		140,700,965	92,024,631	20,103,333	18,916,500
<b>Financing in respect of carry over transactions</b>		1,327,541	608,082	-	-
		142,028,506	92,632,713	20,103,333	18,916,500
Provision against advances					
- Specific	10.3	-	-	(15,621,718)	(15,305,058)
- General	10.3.2	(260,937)	(118,977)	-	-
		141,767,569	92,513,736	4,481,615	3,611,442
<b>10.1 Particulars of advances</b>					
<b>10.1.1</b> In local currency		118,616,693	77,790,299	4,236,710	2,939,896
In foreign currencies		23,150,876	14,723,437	244,905	671,546
		141,767,569	92,513,736	4,481,615	3,611,442
<b>10.1.2</b> Short term		90,947,189	61,091,902	-	-
Long term		50,820,380	31,421,834	4,481,615	3,611,442
		141,767,569	92,513,736	4,481,615	3,611,442
<b>10.1.3 Non-performing advances include</b>					
a) Advances having Gross Book Value of Rs 509.533 (2003: Rs 303.2 million) million and Net Book Value of Rs 458.225 million (2003: 266.8 million) though restructured and performing have been placed in the non-performing status as required by the revised Prudential Regulations issued by the State Bank of Pakistan, which requires monitoring for at least one year before any upgradation is considered.					

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

**10.2** Advances include Rs. 20,103 million which have been placed under non-performing status as detailed below:-

Category of Classification	2004			Specific provision required	Specific provision held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other Assets Especially Mentioned	1,365,330	120,072	1,485,402	-	-
Substandard	303,643	29,417	333,060	23,804	23,804
Doubtful	386,312	10,422	396,734	19,871	19,871
Loss	10,533,320	7,354,817	17,888,137	15,578,043	15,578,043
	<u>12,588,605</u>	<u>7,514,728</u>	<u>20,103,333</u>	<u>15,621,718</u>	<u>15,621,718</u>

Category of Classification	2003			Specific provision required	Specific provision held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other Assets Especially Mentioned	129,412	298,381	427,793	-	-
Substandard	45,509	8,679	54,188	8,050	8,050
Doubtful	101,147	272,189	373,336	164,616	164,616
Loss	11,093,685	6,967,498	18,061,183	15,132,392	15,132,392
	<u>11,369,753</u>	<u>7,546,747</u>	<u>18,916,500</u>	<u>15,305,058</u>	<u>15,305,058</u>

**10.3 Particulars of provision against advances**

Note	2004			2003		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	15,305,058	118,977	15,424,035	15,456,489	121,336	15,577,825
Exchange adjustments	291,675	3,485	295,160	78,881	(10,638)	68,243
Charged during the year	537,153	139,467	676,620	547,911	101,338	649,249
Reversed during the year	(240,214)	(992)	(241,206)	(203,106)	(1,272)	(204,378)
Transfers	259,695	-	259,695	89,062	(89,062)	-
Written off during the year	10.4 (531,649)	-	(531,649)	(664,179)	(2,725)	(666,904)
Closing balance	<u>15,621,718</u>	<u>260,937</u>	<u>15,882,655</u>	<u>15,305,058</u>	<u>118,977</u>	<u>15,424,035</u>

**10.3.1** During the current year, the bank has changed the method of computation of provision against non-performing advances in order to comply with the requirements of the revised Prudential Regulations, issued by the State Bank of Pakistan. In accordance with the revised regulations the banks are required to apply an adjustment factor of 80 percent to the Forced Sale Value (FSV) of mortgaged assets held as collateral against advances while determining the provision requirement against non-performing advances. The incremental provision arising as a result of the above mentioned discounting of the FSV's of mortgaged assets amounted to Rs 215.34 million which has been provided in these financial statements. Had the above mentioned discounting of collaterals not been carried out, the profit before taxation for the year ended December 31, 2004 would have been higher by Rs 215.34 million whereas advances (net of provision) at the end of the year would have been higher by the same amount.

**10.3.2** General provision represents provision amounting to Rs.104.390 million (December 31, 2003: Nil ) against consumer finance portfolio as required by the revised Prudential Regulations issued by State Bank of Pakistan and Rs. 156.547 million (2003: Rs. 118.977 million ) pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
(Rupees in '000)			
<b>10.4 Particulars of write-offs</b>			
Against provisions	10.3	531,649	666,904
Directly charged to profit and loss account		3,841	12,897
		535,490	679,801
Domestic			
Write-offs of Rs. 500,000 and above	10.5	311,706	363,372
Write-offs of below Rs. 500,000		187,061	271,668
Overseas		36,723	44,761
		535,490	679,801

**10.5 Details of loan write-off of Rs. 500,000/- and above**

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2004 is given in Annexure-B to these financial statements.

**10.6 Particulars of loans and advances to executives, directors, associated companies etc.**

	Balance as at December 31, 2004	Maximum amount of advances granted during the year
(Rupees in '000)		
Debts due by directors or executives of the Bank or any of them either severally or jointly with any other persons	35,693	39,501
Debts due by companies or firms in which the directors of the bank are interested as directors, partners or in the case of private, companies as members	1,500,000	1,500,000
Debts due by subsidiary companies, controlled firms, managed modarabas and other associated undertakings	-	-
	1,535,693	1,539,501

**11. OTHER ASSETS**

	Note	2004	2003
(Rupees in '000)			
Income / Mark-up accrued in local currency		6,995,168	6,628,526
Income / Mark-up accrued in foreign currency		3,054,158	2,877,191
		10,049,326	9,505,717
Suspense accounts		432,319	379,072
Hajj Refund		132,901	152,878
Stationery and stamps on hand		62,240	54,225
Advances, deposits, advance rent and other prepayments		471,772	152,564
Receivable from staff retirement funds		755,897	491,542
Unrealized gain on forward foreign exchange contracts		62,998	94,794
Others		433,804	266,051
		12,401,257	11,096,843
Provision held against other assets	11.1	(3,052,803)	(3,299,708)
Unrealized mark-up held in suspense account		(4,954,602)	(4,795,342)
		4,393,852	3,001,793

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
		(Rupees in '000)	
<b>11.1 Provision against other assets</b>			
Opening balance		3,299,708	3,927,200
Exchange adjustments		4,415	(588)
Charge for the year		14,196	190,956
Reversals		(61,700)	(202,319)
Transfer		19,881	107,534
Amounts written off		(223,697)	(723,075)
Closing balance		<u>3,052,803</u>	<u>3,299,708</u>

**12. FIXED ASSETS**

Capital work-in-progress		244,403	109,993
Property and equipment	12.1	<u>3,724,603</u>	<u>3,644,243</u>
		<u>3,969,006</u>	<u>3,754,236</u>

**12.1 Property and equipment**

	Cost				Depreciation				Net book value at December 31, 2004	Annual rate of depreciation	
	At January 1, 2004	Additions/ (deletions)	Revaluation adjustment/ Revaluation surplus/ (deficit)	Other * adjustments	At December 31, 2004	At January 1, 2004	Charge for the year/ (depreciation on deletion)	Reversal due to revaluation/ * Other adjustments			At December 31, 2004
(Rupees in '000)											
<b>Owned</b>											
Freehold land	404,384	-	-	3,810	408,194	-	-	-	-	408,194	-
Leasehold land	2,266,357	10,456	-	8,795	2,285,608	-	90,496	60,714	151,210	2,134,398	-
Buildings on freehold land	57,956	-	-	-	57,956	-	2,898	-	2,898	55,058	5
Buildings on leasehold land	386,771	9,466	-	64,500	460,737	4,536	31,964	35,542	72,042	388,695	5
Furniture and fixtures	587,118	26,958 (2,240)	-	(94,673)	517,163	516,010	34,244 (1,484)	(90,463)	458,307	58,856	10
Electrical, office and computer equipment	979,750	389,862 (7,860)	-	(22,689)	1,339,063	666,084	195,922 (6,888)	(70,406)	784,712	554,351	20-25
Vehicles	224,615	37,218 (8,253)	-	72,699	326,279	128,636	46,487 (6,557)	33,551	202,117	124,162	20
<b>Assets held under finance lease</b>											
Vehicles	118,026	-	-	(115,811)	2,215	65,468	5,613	(69,755)	1,326	889	20
<b>2004</b>	<b>5,024,977</b>	<b>473,960 (18,353)</b>	<b>-</b>	<b>(83,369)</b>	<b>5,397,215</b>	<b>1,380,734</b>	<b>407,624 (14,929)</b>	<b>(100,817)</b>	<b>1,672,612</b>	<b>3,724,603</b>	
<b>2003</b>	<b>4,798,403</b>	<b>389,730 (27,821)</b>	<b>(624,757)</b>	<b>(501,749)</b>	<b>5,024,977</b>	<b>2,137,178</b>	<b>354,082 (21,640)</b>	<b>(624,757)</b>	<b>1,380,734</b>	<b>3,644,243</b>	

\* This represents write - off / reclassification of fixed assets based on an exercise being carried out by the management to reconcile their subsidiary records of fixed assets with the ledger balances. This exercise is expected to be completed shortly.

**12.2 Revaluation of domestic properties**

The properties of the Bank were last revalued by independent professional valuers as at December 31, 2003. The last revaluation was carried out by M/s. Pirsons Chemicals Engineering (Private) Limited and M/s. Consultancy Support Services on the basis of professional assessment of present market values and resulted in a surplus of Rs. 991 million . Had there been no revaluation, the carrying amount of revalued assets would have been as follows :

Freehold land	4,454
Leasehold land	28,091
Buildings on leasehold land	176,077
Buildings on freehold land	8,076

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

( Rupees in '000)

<b>12.3</b>	Carrying amount of temporarily idle property.	157,774
<b>12.4</b>	The gross carrying amount of fully depreciated assets that are still in use	
	Building on leasehold land	-
	Furniture & fixture	6,219
	Electrical office and computer equipments	80,530
	Vehicles	53,867
<b>12.5</b>	The carrying amount of property, plant equipment retired from active use and held for disposal	
	Furniture & fixture	100
	Electrical office and computer equipments	800
<b>12.6</b>	<b>Disposal of fixed assets during the year</b>	

	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of Disposal	Particulars of Buyers
	------(Rupees in '000)-----					
<b>Furniture &amp; Fixture</b>						
Items having book value of less than Rs 250,000 and cost of less than Rs. 1,000,000	2,240	1,484	756	1,057	Retirement benefit	Various
<b>Electrical, office &amp; Computer Equipment</b>						
Items having book value of more than Rs 250,000 and cost of more than Rs 1,000,000	-	-	-	-		
Items having book value of less than Rs 250,000 and cost of less than Rs 1,000,000	7,860	6,888	972	11,856	Retirement benefit	Various
	7,860	6,888	972	11,856		
<b>Vehicles</b>						
Toyota Corolla	634	634	-	63	Retirement benefit	Ali Abbas Jamal (Ex-executive)
Toyota Corolla	634	634	-	63	Negotiation	Saqib Mukhtar (Ex-executive)
Toyota Corolla	629	629	-	63	Negotiation	Mian Shareef (Ex-executive)
Toyota Corolla	619	619	-	62	Retirement benefit	Saeed Ahmed (Ex-executive)
Toyota Corolla	594	594	-	59	Retirement benefit	Shaikh Tahir Azmat (Ex-executive)
Toyota Corolla	769	538	231	231	Negotiation	Jeeva Haroon (Ex-executive)
Toyota Corolla	769	487	282	333	Negotiation	Ayub Hamid (Ex-executive)
Toyota Corolla	780	780	-	78	Retirement benefit	Khalid Usmani (Ex-executive)
Toyota Corolla	849	538	311	363	Negotiation	Col. Mohammad Amin (Ex-executive)
Suzuki Khyber	254	254	-	25	Retirement benefit	Jawed Shaikh (Ex-employee)
Suzuki Khyber	254	254	-	25	Retirement benefit	Abu Muzaffar (Ex-employee)
Suzuki Khyber	279	279	-	32	Negotiation	Sajjad Asghar (Ex-executive)
Items having book value of more than Rs 250,000 and cost of more than Rs 1,000,000						
Toyota Corolla	1,189	317	872	911	Negotiation	Amar Zafar Khan (Ex-executive)
Items having book value of less than Rs 250,000 and cost of less than Rs 1,000,000	-	-	-	-		
	8,253	6,557	1,696	2,308		
<b>Total</b>	<b>18,353</b>	<b>14,929</b>	<b>3,424</b>	<b>15,221</b>		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
(Rupees in '000)			
<b>13. TAXES RECOVERABLE AND DEFERRED TAX ASSET</b>			
Taxes recoverable	13.1	45,728	283,171
Deferred taxation - net	13.2	5,194,892	5,486,357

- 13.1** Income tax assessments of the Bank have been finalized up to the assessment year 2002-2003 for domestic and Azad Kashmir Branches. On the basis of these assessments determined assessed losses amount to Rs. 22,588 million. Refunds determined as a result of finalized assessments amounted to Rs. 172.548 million, which were received during the year.

While finalizing the assessments, the tax authorities made add backs on suspended mark up on non-performing loans. This treatment was contested by the bank in appeals before the Income Tax Appellate Tribunal (ITAT), which was decided in bank's favour. However, in respect of assessment years 1998-99 to 2001-02, the Large Tax Payers Unit and the bank filed reference applications on the above issue, which were dismissed by the ITAT. The bank has filed a reference application with the High Court of Sindh against the order issued by the ITAT which is currently pending.

	2004	2003
(Rupees in '000)		
<b>13.2</b> The balances of deferred taxation comprises:		
Deductible temporary differences:		
on recognized tax losses	4,599,000	5,216,799
on other deductible differences	677,717	684,000
	5,276,717	5,900,799
Taxable temporary differences on		
surplus on revaluation of fixed assets	(68,143)	(72,325)
surplus on revaluation of investments	(13,682)	(342,117)
	(81,825)	(414,442)
	5,194,892	5,486,357

The Bank has an aggregate amount of Rs 13,733 million available as carried forward tax losses as at December 31, 2004. Out of this amount the management has recognized deferred tax debit balance on losses amounting to Rs 12,645 million. This represents the management's estimate of probable benefit which is expected to be realised in future years in the form of reduced tax liability as the bank would be able to set-off the profits earned in these years against losses carried forward from prior years.

**14. CONTINGENT ASSETS**

There were no contingent assets as at the balance sheet date.

	2004	2003
(Rupees in '000)		
<b>15. BILLS PAYABLE</b>		
In Pakistan	3,682,779	2,800,521
Outside Pakistan	128,505	175,389
	3,811,284	2,975,910
<b>16. BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
In Pakistan	11,877,856	7,025,096
Outside Pakistan	97,828	685,279
	11,975,684	7,710,375

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2004	2003
	(Rupees in '000)	
<b>16.1 Particulars of borrowings from financial institutions</b>		
In local currency	11,877,856	7,025,096
In foreign currencies	97,828	685,279
	<u>11,975,684</u>	<u>7,710,375</u>
<b>16.2 Details of borrowings from financial institutions</b>		
<b>Secured</b>		
Borrowings from financial institutions	767,830	557,441
Borrowings from the State Bank of Pakistan		
Export Refinance	5,988,377	4,325,125
Locally Manufactured Machinery	9,872	18,299
	5,998,249	4,343,424
Repurchase agreement borrowings	4,629,607	2,680,977
	<u>11,395,686</u>	<u>7,581,842</u>
<b>Unsecured</b>		
Call Borrowing	500,000	-
Overdrawn nostro accounts	79,998	128,533
	<u>11,975,684</u>	<u>7,710,375</u>

**16.3** The Bank has entered into agreements with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with SBP.

**16.4** These borrowings carry mark up at rates ranging from 2.25% to 5.35% (2003: 0.2% to 7.5%) per annum.

	Note	2004	2003
		(Rupees in '000)	
<b>17. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		42,971,478	35,945,097
Savings deposits		118,243,902	102,372,765
Sundry deposits		3,161,327	2,728,107
Margin deposits		1,218,963	1,212,276
Current accounts - remunerative		393,760	565,433
Current accounts - non-remunerative		64,150,773	41,253,005
		230,140,203	184,076,683
Financial Institutions			
Remunerative deposits		-	8,881
Non-remunerative deposits		116,424	985,938
		116,424	994,819
		<u>230,256,627</u>	<u>185,071,502</u>
<b>17.1 Particulars of deposits and other accounts</b>			
In local currency		190,334,868	152,196,723
In foreign currencies		39,921,759	32,874,779
		<u>230,256,627</u>	<u>185,071,502</u>
<b>18. SUB-ORDINATED LOAN -UNSECURED</b>			
Term Finance Certificates - 1st issue	18.1	2,000,000	-
Term Finance Certificates - 2nd issue	18.2	1,500,000	-
		<u>3,500,000</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

- 18.1** This represents listed Term Finance Certificate (TFC's) issued by the bank in June 2004 having tenor of eight years. The liability of the bank is subordinated as to the payment of principal and profit to all other indebtedness of the bank (including deposits) and is not redeemable before maturity without approval of the State Bank of Pakistan. The rate of mark-up on these TFCs is 8.45% per annum payable semi-annually. The principal amount representing 0.25% of the face value of these TFCs is redeemable semi-annually in the first 78 months and the balance is redeemable in three equal semi-annual installments of 33.25% each starting from the 84th month.
- 18.2** This represents the Pre-IPO (private placement) amount received by the bank in respect of the second issue of TFCs. The total issue amounts to Rs. 2,000 million out of which Rs. 1,500 million has been received from institutional investors under Pre-IPO. The remaining amount of Rs. 500 million will be raised through the Initial Public Offer (IPO). The issue of these TFCs has been approved by the State Bank of Pakistan and the approval of Karachi Stock Exchange and Securities Exchange Commission of Pakistan is awaited. The issue is subordinated as to the payment of principal and profit to all other indebtedness of the bank (including deposits) and will not be redeemable before maturity without approval of State Bank of Pakistan. The rate of mark-up on these TFC's would be fixed at 135 basis points above trading yield of 8-year Pakistan Investment Bonds as quoted on Reuters page PKRV on the date of publication of abridged prospectus and will be payable semi-annually. These TFCs are redeemable by 2013.

**19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

These represent finance leases entered into with leasing companies for lease of vehicles. The rates of interest used as discounting factor ranges from 12% to 13.5% (2003: 12% to 13.5%) per annum. There is no financial restriction in the lease agreements. The amount of future minimum lease payments, present value of minimum lease payments and periods during which they become due are as follows:

	<b>2004</b>		
	<b>Minimum lease payments</b>	<b>Finance charges for future period</b>	<b>Principal outstanding</b>
	(Rupees in '000)		
Not later than one year	291	3	288
Later than one year and not later than five years	-	-	-
	<u>291</u>	<u>3</u>	<u>288</u>
	<b>2003</b>		
	<b>Minimum lease payments</b>	<b>Finance charges for future period</b>	<b>Principal outstanding</b>
	(Rupees in '000)		
Not later than one year	42,548	2,841	39,707
Later than one year and not later than five years	291	3	288
	<u>42,839</u>	<u>2,844</u>	<u>39,995</u>

At the end of lease period, the ownership of assets shall be transferred to the Bank on payment of residual value. The cost of operating and maintaining the leased assets is borne by the Bank. These are secured by demand promissory notes, security deposits and the vehicles which have been obtained under leasing arrangements.

	<b>Note</b>	<b>2004</b>	<b>2003</b>
		(Rupees in '000)	
			<b>Restated</b>
<b>20. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		818,789	488,087
Mark-up / return / interest payable in foreign currency		49,573	38,962
Branch adjustment account		1,459,558	2,291,665
Accrued expenses		595,643	380,371
Proposed cash dividend		-	-
Provision for off-balance sheet obligations	20.1	370,544	749,825
Payable under severance scheme		47,222	47,991
Unrealised loss on forward foreign exchange contracts - net		-	-
Unrealised loss on derivative financial instruments - net	20.2	13,077	-
Unearned commission		40,821	-
Others		118,342	544,803
		<u>3,513,569</u>	<u>4,541,704</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
(Rupees in '000)			
<b>20.1 Provision against off balance sheet obligations</b>			
Opening balance		749,825	257,825
Charge / (reversal) during the year	31	-	492,000
Transfer during the year		(379,281)	-
		<u>370,544</u>	<u>749,825</u>
<b>20.2 Derivative financial instruments</b>		<b>Contract/ Notional amount</b>	<b>Fair values</b>
(Rupees in '000)			
Unrealised loss on:			
Interest rate swaps		2,840,000	6,546
Forward rate agreements		115,000	51
Equity futures		122,864	6,480
		<u>3,077,864</u>	<u>13,077</u>
		<b>2004</b>	<b>2003</b>
(Rupees in '000)			
<b>21. DEFERRED LIABILITIES</b>			
Provision for post retirement medical benefit		1,076,874	872,331
Provision for gratuity - overseas		78,306	82,905
Provision for compensated absences		1,036,000	579,823
		<u>2,191,180</u>	<u>1,535,059</u>
<b>21.1</b>	During the year, the management has increased the entitlement of employees in respect of leaves prior to their retirement from 180 days to 365 days. This increase is applicable to employees retiring prior to 2008. An amount of Rs 220 million has been charged in these financial statements as a result of this increase in entitlement based on actuarial advice.		
<b>22. SHARE CAPITAL</b>		<b>2004</b>	<b>2003</b>
(Rupees in '000)			
<b>22.1 Authorised Capital</b>			
		<b>2004</b>	<b>2003</b>
		<u>1,030,000,000</u>	<u>1,030,000,000</u>
		Ordinary shares of Rs 10 each	
		<u>10,300,000</u>	<u>10,300,000</u>
<b>22.2 Issued, subscribed and paid-up capital</b>			
Fully paid-up ordinary shares of Rs 10 each			
		<b>2004</b>	<b>2003</b>
		<u>518,000,000</u>	<u>518,000,000</u>
		Issued for cash	
		<u>5,180,000</u>	<u>5,180,000</u>
<b>22.3 Major shareholders (holding more than 5% of total paid-up capital)</b>		<b>2004</b>	
<b>Name of shareholder</b>		<b>Number of shares held</b>	<b>Percentage of shareholding</b>
State Bank of Pakistan		252,194,000	48.69
Abu Dhabi Group		132,090,000	25.50
Best Way Group		132,090,000	25.50
		<u>516,374,000</u>	<u>99.69</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
		(Rupees in '000)	
<b>23. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus arising on revaluation of fixed assets - net of tax:			
Fixed assets	23.1	2,673,351	2,767,565
Securities	23.2	320,313	1,039,501
		2,993,664	3,807,066
<b>23.1 Surplus on revaluation of fixed assets</b>			
Surplus on revaluation of fixed assets at January 1,		2,839,890	1,941,118
Revaluation of fixed assets during the year		-	991,171
		2,839,890	2,932,289
			-
Transferred to unappropriated profit in respect of incremental depreciation		(94,214)	(73,096)
Related deferred tax liability of incremental depreciation charged during the year		(4,182)	(19,303)
		2,741,494	2,839,890
Less: Related deferred tax liability on			
Revaluation as on January 01		72,325	912,327
Adjustment in respect of reduction in future tax rates		-	(116,119)
Revaluation during the year		-	(282,948)
Incremental depreciation charged on related assets		(4,182)	(19,303)
Adjustment to leasehold land recognised on prior years		-	(421,632)
		68,143	72,325
		2,673,351	2,767,565
<b>23.2 Surplus on revaluation of securities</b>			
Market Treasury Bills		(10,837)	(18,659)
Federal Investment Bonds		-	25,869
Pakistan Investment bonds		60,512	1,109,496
Term Finance Certificates		-	11,368
Quoted securities		284,320	253,544
		333,995	1,381,618
Related deferred tax liability		(13,682)	(342,117)
		320,313	1,039,501
<b>24. CONTINGENCIES AND COMMITMENTS</b>			
<b>24.1 Direct credit substitutes</b>			
Contingent liabilities in respect of guarantees given favouring			
Government		856,437	1,151,737
Banking companies and other financial institutions		1,428,103	1,308,364
Others		1,726,278	1,947,705
		4,010,818	4,407,806
<b>24.2 Transaction-related contingent liabilities</b>			
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring			
Government		7,477,242	5,115,106
Banking companies and other financial institutions		201,946	471,135
Others		4,051,297	2,324,761
		11,730,485	7,911,002



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2004	2003
	(Rupees in '000)	
<b>24.3 Trade-related contingent liabilities</b>		
Contingent liabilities in respect of letters of credit opened favouring		
Government	185,994	14,500,783
Banking companies and other financial institutions	216,960	71,705
Others	55,713,984	23,951,837
	<u>56,116,938</u>	<u>38,524,325</u>
<b>24.4 Other contingencies</b>		
Claims against the Bank not acknowledged as debts	<u>6,115,838</u>	<u>8,759,029</u>
<b>24.5 Commitments in respect of forward lending</b>		
Commitments to extend credit	<u>1,651,359</u>	<u>2,451,155</u>
<b>24.6 Commitments in respect of forward foreign exchange contracts</b>		
Sale	<u>24,618,916</u>	<u>16,929,532</u>
Purchase	<u>21,452,980</u>	<u>16,015,907</u>
<b>24.7 Other commitments</b>		
Repo transactions	<u>4,643,873</u>	<u>2,687,274</u>
Capital commitments	<u>229,050</u>	<u>30,018</u>

**25. CHANGE IN ACCOUNTING POLICY**

Restated proforma information as referred to in note 5.3 of the financial statements is presented below:

**Extract of profit and loss account**

	For the year ended		Proforma For the year ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	----- (Rupees in '000) -----			
Profit after taxation for the year before incorporating the effect of change in accounting policy	3,700,626	2,635,618	3,700,626	2,635,618
Cumulative effect of change in accounting policy as stated above	918	-	(8,268)	11,482
Profit after taxation for the year	<u>3,701,544</u>	<u>2,635,618</u>	<u>3,692,358</u>	<u>2,647,100</u>

**Extract of statement of unappropriated profit**

	For the year ended		Proforma For the year ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	----- (Rupees in '000) -----			
Opening balance of unappropriated profit	1,384,490	(797,100)	1,384,490	(797,100)
Effect of change in accounting policy as stated above - net of tax	-	-	9,186	-
Opening balance of unappropriated profit - restated	1,384,490	(797,100)	1,393,676	(797,100)
Profit after taxation for the year	3,701,544	2,635,618	3,692,358	2,647,100
Proposed cash dividend for 2003	-	1,165,500	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	94,214	73,096	94,214	73,096
Transfer to statutory reserve	(740,309)	(527,124)	(740,309)	(529,420)
Final cash dividend	(1,165,500)	(1,165,500)	(1,165,500)	-
	<u>3,274,439</u>	<u>1,384,490</u>	<u>3,274,439</u>	<u>1,393,676</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

**25.1** The proforma information has been prepared after taking into account the change in accounting policy relating to recognition of dividends declared subsequent to the year end. The change in accounting policy is disclosed in note 5.9 to the financial statements and is reflected in the statement of changes in equity.

	<b>2004</b>	<b>2003</b>
	<b>(Rupees in '000)</b>	
<b>26. MARK-UP / RETURN / INTEREST EARNED</b>		
On loans and advances	5,901,811	4,372,667
On investments in		
- Securities	2,776,151	4,208,695
- Associates	18,345	4,864
	2,794,496	4,213,559
On deposits with financial institutions	220,789	169,682
On securities purchased under resale agreements	311,628	180,647
Discount income	5,157	7,705
	9,233,881	8,944,260
<b>27. MARK-UP / RETURN / INTEREST EXPENSED</b>		
On deposits	1,443,821	1,699,171
On securities sold under repurchase agreements	107,041	88,962
On other short - term borrowings	141,848	62,738
On long - term borrowings	52	85
Discount expense	39,998	37,393
	1,732,760	1,888,349
<b>28. DIVIDEND INCOME / GAIN ON SALE OF INVESTMENTS</b>		
Dividend income	154,565	80,315
Gain on sale of investments	947,945	1,976,999
	1,102,510	2,057,314
<b>29. OTHER INCOME</b>		
Rent on properties	77,051	82,598
Charges recovered from customers	892,306	399,924
Net gain on sale of fixed assets	11,797	12,882
Liabilities no longer required written back	-	109,000
Others	-	3,096
	981,154	607,500

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004	2003
		(Rupees in '000)	
<b>30. ADMINISTRATIVE EXPENSES</b>			
<b>Personnel Cost</b>			
Salaries, allowances etc.		3,314,264	3,000,623
Charge for compensated absences		546,216	481,809
Medical expenses		218,566	189,401
Contribution to defined contributory plan		74,463	50,460
Charge for defined benefit obligations		39,596	171,173
		4,193,105	3,893,466
<b>Premises Cost</b>			
Rent, taxes, insurance, electricity etc.		586,983	571,754
Depreciation		123,724	114,266
Repairs and maintenance		29,899	25,741
		740,606	711,761
<b>Other Operating Cost</b>			
Depreciation		283,900	239,816
Advertisement and publicity		223,212	90,603
Communications		212,538	144,829
Outsourced service charges including sales commission		141,408	130,177
Stationery and printing		120,233	106,606
Legal and professional charges		100,597	76,861
Banking service charge		80,821	55,977
Travelling		80,188	56,086
Cash transportation charges		74,323	67,445
Sub-ordinated debt issuance costs		62,509	-
Repairs and maintenance		51,398	41,305
Office running expenses		37,082	28,506
Entertainment		33,445	28,016
Vehicle expenses		31,665	30,089
Cartage, freight and conveyance		28,476	25,908
Auditors' remuneration	30.1	23,135	26,373
Training and seminar		18,945	11,593
Brokerage expenses		14,579	11,917
Computer expenses		14,557	23,247
Subscriptions		12,737	11,693
Finance charges on leased assets		2,903	10,320
Non-executive directors' fee and allowances		5	41
Amortisation of deferred cost		-	261,769
Miscellaneous expenses		120,342	69,509
		1,768,998	1,548,686
		6,702,709	6,153,913

**30.1 Auditors' remuneration**

	2004			2003		
	A. F. Ferguson & Co.	Taseer Hadi Khalid & Co.	Total	A. F. Ferguson & Co.	Ford Rhodes Sidat Hyder & Co.	Total
	(Rupees in '000)					
Audit fee	3,670	3,670	7,340	3,670	3,670	7,340
Fee for audit of EPZ branch	56	-	56	56	-	56
Special certifications and sundry advisory services	574	630	1,204	630	680	1,310
Out of pocket expenses	1,635	1,635	3,270	898	860	1,758
	5,935	5,935	11,870	5,254	5,210	10,464

In addition to the above Rs 11.265 million (2003: Rs 15.909 million) was paid by other overseas branches to various audit firms in respect of audit assignments conducted in those countries.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	Note	2004 (Rupees in '000)	2003
<b>31. OTHER PROVISIONS / WRITE OFFS</b>			
(Reversal) / provision against other assets - net	11.1	(47,504)	(11,363)
Provision against off balance sheet obligations		-	492,000
Other provisions/write offs		13,082	71,203
		<u>(34,422)</u>	<u>551,840</u>

**32. OTHER CHARGES**

Penalty paid to SBP		<u>10,456</u>	<u>5,501</u>
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	2004			2003	
	Overseas	Azad Kashmir	Domestic	Total	Total
	------(Rupees in '000)-----				
<b>33. TAXATION</b>					
Current tax	185,511	46,547	51,025	283,083	193,050
Prior year tax	28,850	256,351	-	285,201	223,070
Deferred taxation	152,197	16,051	451,652	619,900	1,274,978
<b>2004</b>	<u>366,558</u>	<u>318,949.00</u>	<u>502,677</u>	<u>1,188,184</u>	<u>1,691,098</u>
<b>2003</b>	<u>422,805</u>	<u>243,831</u>	<u>1,024,462</u>	<u>1,691,098</u>	

**33.1** Income tax assessments of the Bank have been finalized up to the assessment year 2002-2003 (financial year ended December 31, 2001) both for domestic and Azad Kashmir operations. The domestic assessments resulted in income tax refunds amounting to Rs. 172.548 million, which were received during the year. Return for the year 2004 (financial year ended December 31, 2003) was filed for which refunds amounting to Rs. 301.139 million have been determined.

**33.2 Relationship between tax expense and accounting profit**

	2004 (Rupees in '000)	2003
Accounting profit for the year	<u>4,889,728</u>	<u>4,326,716</u>
Tax on income @ 41 % (2003: 44%)	2,004,788	1,903,755
Tax effect of items that are not included in determining taxable profit	(78,205)	159,714
Deferred tax asset recognised on assessed losses / temporary differences net of reversal	(1,237,134)	(684,000)
Reversal of deferred tax liability on incremental depreciation	(4,182)	(19,303)
Tax charge of overseas branches of United Bank Limited	217,716	107,862
Prior year tax charge	285,201	223,070
Tax charge	<u>1,188,184</u>	<u>1,691,098</u>

**34. BASIC/ DILUTED EARNINGS PER SHARE**

	2004 (Rupees in '000)	2003
Profit after taxation for the year	<u>3,701,544</u>	<u>2,635,618</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>518,000,000</u>	<u>518,000,000</u>
	(Rupees)	
Basic / Diluted earnings per share	<u>7.15</u>	<u>5.09</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

<b>35. CASH AND CASH EQUIVALENTS</b>	<b>2004</b>	<b>2003</b>
	<b>(Rupees in '000)</b>	
Cash and balances with treasury banks	23,844,435	17,274,461
Balances with other banks	17,699,334	11,386,434
	41,543,769	28,660,895

<b>36. STAFF STRENGTH</b>	<b>2004</b>	<b>2003</b>
	<b>(Number)</b>	
Total number of employees at the end of the year	9,206	8,815

**37. EMPLOYEE BENEFITS**
**37.1 Defined Benefit Plans - General description**

The Bank operates a funded pension scheme established in 1986. The Bank also operates a funded gratuity scheme for new employees and those employees who have not opted for the pension scheme. Further, the Bank also operates a contributory benevolent fund scheme and provides post retirement medical to eligible retired employees. The benevolent fund plan and post retirement medical plan cover all the regular employees of the Bank.

A portion of actuarial gains and losses is recognized if the net cumulative unrecognized actuarial gains and losses at the end of previous reporting period exceed the "corridor" defined as greater of:

- (a) 10% of the present value of the defined benefit obligation at that date (before deducting plan assets), and
- (b) 10% of the fair values of any plan assets at that date.

These limits are calculated and applied separately for each defined benefit scheme.

**37.2 Principal actuarial assumptions**

The latest actuarial valuation was carried out as at December 31, 2004. Projected unit credit actuarial cost method, using following significant assumptions was used for the valuation of the defined benefit plans:

Discount rate	8%
Expected rate of return on plan assets	8%
Expected rate of salary increase	8%
Expected rate of pension increase	3%

**37.3 Reconciliation of (receivable from) / payable to defined benefit plans**

	<b>2004</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	<b>(Rupees in '000)</b>			
Present value of defined benefit obligations	4,027,184	292,738	719,317	1,256,633
Fair value of any plan assets	(6,496,932)	(278,261)	(698,839)	-
Net actuarial gains or (losses) not recognized	2,084,894	(15,786)	(21,090)	(179,759)
(Receivable) / Payable	(384,854)	(1,309)	(612)	1,076,874

	<b>2003</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	<b>(Rupees in '000)</b>			
Present value of defined benefit obligations	3,363,652	279,509	582,699	1,064,831
Fair value of any plan assets	(5,985,788)	(373,367)	(607,327)	-
Net actuarial gains or losses not recognized	2,471,723	46,591	47,810	(26,587)
Transition obligation not recognized	-	-	(24,882)	(165,913)
(Receivable) / Payable	(150,413)	(47,267)	(1,700)	872,331

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**
**37.4 Movement in (receivable) / payable to defined benefit plans**

	<b>2004</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	----- (Rupees in '000) -----			
Opening balance	(150,413)	(47,267)	(1,700)	872,331
Charge/ (reversal) for the year	(278,527)	20,958	30,081	247,663
Contribution to / (refund from) fund made during the year	44,086	25,000	(28,993)	-
Benefits paid	-	-	-	(43,120)
Closing balance	<u>(384,854)</u>	<u>(1,309)</u>	<u>(612)</u>	<u>1,076,874</u>
	<b>2003</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	----- (Rupees in '000) -----			
Opening balance	-	(336)	(317)	655,313
Charge for the year	(150,413)	12,533	36,502	257,548
Contribution to fund made during the year	-	(59,464)	(37,885)	-
Benefits paid	-	-	-	(40,530)
Closing balance	<u>(150,413)</u>	<u>(47,267)</u>	<u>(1,700)</u>	<u>872,331</u>

**37.5 Charge for defined benefit plans**

	<b>2004</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	----- (Rupees in '000) -----			
Current service cost	39,206	28,173	15,877	17,860
Interest cost	201,819	16,771	34,962	63,890
Expected return on assets	(349,266)	(23,145)	(36,440)	-
Actuarial (gains) and losses	(170,286)	(841)	-	-
Amortization of transitional obligations	-	-	24,882	165,913
Employees' contribution	-	-	(9,200)	-
	<u>(278,527)</u>	<u>20,958</u>	<u>30,081</u>	<u>247,663</u>
	<b>2003</b>			
	<b>Pension fund</b>	<b>Gratuity fund</b>	<b>Benevolent fund</b>	<b>Post retirement medical</b>
	----- (Rupees in '000) -----			
Current service cost	36,481	26,253	14,774	17,034
Interest cost	219,029	17,917	42,531	74,601
Expected return on assets	(367,936)	(27,003)	(36,806)	-
Actuarial (gains) and losses	(37,987)	(4,634)	-	-
Amortization of transitional obligations	-	-	24,883	165,913
Prior year adjustment of transitional obligation	-	-	(8,880)	-
	<u>(150,413)</u>	<u>12,533</u>	<u>36,502</u>	<u>257,548</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**
**37.6 Actual return on plan assets**

Among the defined benefit plans, currently the pension, gratuity and benevolent fund plans are funded. The actual return earned on the assets during the year 2004 are:

Pension fund	Rs. 883.357 million
Benevolent fund	Rs. 97.107 million
Gratuity fund	Rs. 24.168 million

**38. OTHER EMPLOYEE BENEFITS**
**38.1 Defined contribution plan**

The Bank operates a contributory provident fund scheme for 5,294 (2003: 4,462) employees who are not in the pension scheme. The employer and employee both contribute 8.33% of the basic salaries to the funded scheme every month.

**38.2 Employee compensated absences**

The liability of the bank in respect of long-term employee compensated absences is determined based on actuarial valuation carried out using Projected Unit Credit Method. The liability of the bank as per the latest actuarial valuation carried out as at December 31, 2004 amounted to Rs. 1,036 million which has been fully provided by the bank. The charge for the year in respect of these absences amounted to Rs. 546 million which is shown in note 30 to these financial statements.

**39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief Executive		Directors		Executives	
	2004	2003	2004	2003	2004	2003
----- (Rupees in '000) -----						
Fees	-	-	5	41	-	-
Managerial remuneration	12,667	10,020	-	-	143,699	91,021
Charge for defined benefit plan	528	835	-	-	5,431	5,923
Contribution to defined contribution plan	1,056	836	-	-	11,025	7,342
Rent and house maintenance	1,266	1,116	-	-	58,655	25,119
Utilities	664	996	-	-	17,157	8,695
Medical	656	1,347	-	-	13,012	8,394
Reimbursement of children's educational fees	128	168	-	-	-	-
Vehicle running, maintenance and others	471	465	-	-	17,569	16,329
	<u>17,436</u>	<u>15,783</u>	<u>5</u>	<u>41</u>	<u>266,548</u>	<u>162,823</u>
Number of persons	<u>2</u>	<u>1</u>	<u>3</u>	<u>5</u>	<u>158</u>	<u>91</u>

The Chief Executive and certain executives are provided with free use of the bank's maintained cars and household equipments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**
**40. MATURITIES OF ASSETS AND LIABILITIES**

	Total	Upto three months	2004		
			Over 3 months to one year	Over one year To five years	Over five Years
(Rupees in '000)					
<b>Assets</b>					
Cash and balances with treasury banks	23,844,435	23,844,435	-	-	-
Balances with other banks	17,699,334	17,699,334	-	-	-
Lending to financial institutions	16,262,504	9,887,955	6,374,549	-	-
Investments	54,953,728	19,143,306	4,781,152	19,134,025	11,895,245
Advances - Performing	141,767,569	31,872,254	59,074,935	23,381,155	27,439,225
- Non Performing	4,481,615	-	-	4,481,615	-
Other assets	4,393,852	3,473,100	920,752	-	-
Fixed assets	3,969,006	101,391	301,508	1,206,546	2,359,561
Taxes recoverable	45,728	-	45,728	-	-
Deferred tax assets	5,194,892	512,749	1,579,295	3,163,545	(60,697)
	<u>272,612,663</u>	<u>106,534,524</u>	<u>73,077,919</u>	<u>51,366,886</u>	<u>41,633,334</u>
<b>Liabilities</b>					
Bills payable	3,811,284	3,049,027	762,257	-	-
Borrowings from financial institutions	11,975,684	5,977,435	5,998,249	-	-
Deposits and other accounts	230,256,627	33,284,050	28,051,150	20,767,543	148,153,884
Subordinated loan	3,500,000	-	798	3,312	3,495,890
Liabilities against assets subject to finance lease	288	288	-	-	-
Other liabilities	3,513,569	3,107,609	35,417	370,543	-
Deferred liabilities	2,191,180	27,928	83,785	526,854	1,552,613
	<u>255,248,632</u>	<u>45,446,337</u>	<u>34,931,656</u>	<u>21,668,252</u>	<u>153,202,387</u>
<b>Net assets</b>	<u>17,364,031</u>	<u>61,088,187</u>	<u>38,146,263</u>	<u>29,698,634</u>	<u>(111,569,053)</u>
<b>Represented by:</b>					
Share capital	5,180,000				
Reserves	5,915,928				
Unappropriated profit	3,274,439				
Surplus on revaluation of assets	2,993,664				
	<u>17,364,031</u>				

Current and savings deposits do not have any contractual maturity therefore, current deposits and savings accounts have been classified between all four maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**
**41. YIELD / INTEREST RATE RISK**

Yield / Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

Effective Yield/ Interest rate %	Total	2004				Not exposed to Yield/ Interest Risk	
		Exposed to Yield / Interest risk					
		Upto three months	3 months to one year	Over one year to five years	Over five years		
----- (Rupees in '000) -----							
<b>On-balance sheet financial instruments</b>							
<b>Assets</b>							
Cash and balances with							
treasury banks	0.01	23,844,435	1,216,129	-	-	-	22,628,306
Balances with other banks	1.84	17,699,335	15,884,323	-	-	-	1,815,012
Lending to financial institutions	2.12	16,262,504	9,887,955	6,374,549	-	-	-
Investments	6.69	54,953,728	19,143,306	4,781,152	18,249,912	11,895,542	883,816
Advances - Performing	4.63	141,767,569	31,872,254	59,074,935	23,381,155	27,439,225	-
- Non Performing	-	4,481,615	-	-	-	-	4,481,615
Other assets	-	2,943,023	-	-	-	-	2,943,023
		261,952,209	78,003,967	70,230,636	41,631,067	39,334,767	32,751,772
<b>Liabilities</b>							
Bills payable	-	3,811,284	3,049,027	762,257	-	-	-
Borrowings from financial institutions	1.93	11,975,684	5,977,435	5,998,249	-	-	-
Deposits	0.76	230,256,627	32,931,044	26,707,153	18,976,427	86,272,267	65,369,736
Subordinated loans	8.93	3,500,000	-	798	3,312	3,495,890	-
Liabilities against assets subject to finance lease	12-13.5	288	288	-	-	-	-
Other liabilities	-	1,662,812	-	-	-	-	1,662,812
		251,206,695	41,957,794	33,468,457	18,979,739	89,768,157	67,032,548
<b>On-balance sheet gap</b>		<b>10,745,514</b>	<b>36,046,173</b>	<b>36,762,179</b>	<b>22,651,328</b>	<b>(50,433,390)</b>	<b>(34,280,776)</b>
<b>Off-balance sheet financial instruments</b>							
Forward Lendings (including call lending, repurchase agreement lending, commitments to extend credit, etc.)							
		1,651,359	918,359	733,000	-	-	-
<b>Off-balance sheet gap</b>		<b>1,651,359</b>	<b>918,359</b>	<b>733,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Yield/Interest Risk Sensitivity Gap</b>			<b>36,964,532</b>	<b>37,495,179</b>	<b>22,651,328</b>	<b>(50,433,390)</b>	<b>(34,280,776)</b>
<b>Cumulative Yield/Interest Risk Sensitivity Gap</b>			<b>36,964,532</b>	<b>74,459,711</b>	<b>97,111,039</b>	<b>46,677,649</b>	<b>12,396,873</b>

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**
**42. CURRENCY RISK**

	Assets	Liabilities	Off balance sheet items	Net foreign currency exposure
(Rupees in '000)				
Pakistan Rupee	219,254,067	203,401,587	3,049,541	18,902,021
US Dollar	29,123,044	22,250,409	(2,299,954)	4,572,681
Pound Sterling	3,686,653	1,775,764	(156,808)	1,754,081
Euro	964,347	1,030,029	(13,241)	(78,923)
Japanese Yen	317,841	13	(320,224)	(2,396)
Other Currencies	19,266,711	26,790,830	(259,314)	(7,783,433)
	<u>272,612,663</u>	<u>255,248,632</u>	<u>-</u>	<u>17,364,031</u>

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rates. In order to avoid losses arising from adverse movements in the rate of exchange, the management monitors compliance with all external and internal limits (including currency, dealer and counter party limits), review of foreign exchange exposure and regular revaluation of the entire portfolio.

**43. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of traded investments other than those classified as held to maturity is based on quoted market price. Fair value of unquoted equity investments is determined on the basis of break-up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loan, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.4 of these financial statements.

The maturity and repricing profile and effective rates are stated in notes 40 and 41 respectively.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

**44. CONCENTRATION OF CREDIT AND DEPOSITS**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

**Concentration of credit risk**

Out of the total financial assets of Rs. 261,952 million, the financial assets which were subject to credit risk amounted to Rs. 239,790 million. The Bank's major credit risk is concentrated in textile sector. To manage credit risk, the Bank applies credit limits to its customers and obtains adequate collaterals. Investments amounting to Rs. 40,607 million are guaranteed by the Government of Pakistan.

**Risk management**

The Bank is primarily subject to interest rate, credit and currency risks. The policies and procedures for managing these risks are outlined in the notes below. The Bank has designed and implemented a framework of controls to identify, monitor and manage these risks which are as follows:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**
**Interest rate risk management**

Interest risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The risks are inherent on deposits, liabilities, loans/advances and investments of the Bank.

The Assets and Liabilities Committee of the Bank regularly reviews the total portfolio of the Bank to ensure that risks are minimized and remain within acceptable limits.

Most of the loans and advances comprise of working capital which are repriced on a periodical basis, whereas the majority of deposits are repriced retrospectively on a six monthly basis due to the profit and loss sharing system for determining deposit rates.

**Credit risk management**

Credit risk management is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk in the Bank's portfolio is monitored, reviewed and analyzed by the Credit Risk Management (CRM).

CRM determines the quality of the credit portfolio and assists in minimizing potential losses. To achieve this objective, CRM formulates appropriate credit policies and procedures for the Bank to ensure building and maintaining quality credits and an efficient credit process.

The Bank's Financial Institution Risk Management Unit (FIRMU) is established to screen out the Banks / Financial Institutions and determine the maximum risk exposure on each of them. FIRMU also assesses, recommends and controls cross border/ country risk.

To manage the non performing loans (NPLs), the bank has in place comprehensive remedial management policy which includes a framework of controls to identify weak credits and monitoring of these accounts.

**45. SEGMENT BY CLASS OF BUSINESS**

	2004					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and pharmaceuticals	4,655,294	2.87%	1,998,122	0.87%	1,802,232	1.38%
Agri business	8,790,381	5.42%	16,306,589	7.08%	2,533,997	1.94%
Textile spinning	16,108,993	9.94%	579,139	0.25%	3,652,603	2.80%
Textile weaving	9,419,083	5.81%	504,250	0.22%	384,352	0.29%
Textile composite	13,054,127	8.05%	890,148	0.39%	1,150,750	0.88%
Textile others	1,305,006	0.80%	470,700	0.20%	895,279	0.69%
Cement	3,278,768	2.02%	763,921	0.33%	1,445,514	1.11%
Sugar	2,951,155	1.82%	778,133	0.34%	11,607	0.01%
Shoes and leather garments	2,226,295	1.37%	1,750,725	0.76%	141,148	0.11%
Automobile and transportation equipment	2,057,949	1.27%	2,651,282	1.15%	2,197,816	1.68%
Financial	10,964,416	6.76%	4,920,543	2.14%	55,017,162	42.14%
Insurance	24,562	0.02%	4,295,716	1.87%	1,131,253	0.87%
Electronics and electrical appliances	2,184,419	1.35%	1,955,847	0.85%	2,894,898	2.22%
Production and transmission of energy	2,158,099	1.33%	7,739,413	3.36%	529,541	0.41%
Contractors	1,297,102	0.80%	2,637,896	1.15%	135,051	0.10%
Wholesale traders	16,577,276	10.22%	15,617,092	6.78%	6,209,347	4.76%
Fertilizer dealers	973,047	0.60%	3,041,862	1.32%	997,977	0.76%
Food industries	2,199,046	1.36%	354,566	0.15%	935,111	0.72%
Airlines	1,127,819	0.70%	2,083,266	0.90%	127,128	0.10%
Constructions	1,230,370	0.76%	1,787,598	0.78%	1,227,788	0.94%
Infrastructure	3,000,000	1.85%	1,031,024	0.45%	2,764	0.00%
Telecom	3,151,371	1.94%	1,229,979	0.53%	3,215,900	2.46%
Individuals	8,676,431	5.35%	127,999,660	55.59%	4,733,989	3.63%
Others	44,720,830	27.58%	28,869,156	12.54%	39,197,050	30.02%
	<u>162,131,839</u>	<u>100%</u>	<u>230,256,627</u>	<u>100%</u>	<u>130,570,257</u>	<u>100%</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2004					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
<b>45.1 Segment by sector</b>						
Public/Government	26,105,942	16.10%	26,393,796	11.46%	8,519,673	6.52%
Private	136,025,897	83.90%	203,862,831	88.54%	122,050,584	93.48%
	<u>162,131,839</u>	<u>100%</u>	<u>230,256,627</u>	<u>100%</u>	<u>130,570,257</u>	<u>100%</u>

**46. GEOGRAPHICAL SEGMENT ANALYSIS**

	2004			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies & commitments
	(Rupees in '000)			
Pakistan				
Domestic Operations	3,699,288	225,063,504	10,752,919	121,292,554
Asia Pacific (including South Asia)	27,659	2,267,291	17,890	43,133
	<u>3,726,947</u>	<u>227,330,795</u>	<u>10,770,809</u>	<u>121,335,687</u>
Overseas				
United States of America	65,428	3,723,753	256,706	31,363
Middle East	1,097,353	41,558,114	6,336,516	9,203,207
	<u>1,162,781</u>	<u>45,281,867</u>	<u>6,593,222</u>	<u>9,234,570</u>
	<u>4,889,728</u>	<u>272,612,662</u>	<u>17,364,031</u>	<u>130,570,257</u>

Total assets employed include intra group items of Rs Nil

**47. TRUST ACTIVITIES**

The Bank is not engaged in any significant trust activities. However, it acts as security agent for some of the Term Finance Certificates it arranges and distributes on behalf of its customers.

**48. RELATED PARTY TRANSACTIONS**

The Bank has related party relationship with its associated undertakings, subsidiary companies (refer note 9.1), employee benefit plans (refer note 37) and its directors and executive officers (including their associates).

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk. Details of loans and advances to the companies or firms in which the directors of the group are interested as directors, partners or in case of private companies as members are given in note 10.6 to these financial statements.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations/ terms of the contribution plan (refer note 37 to these financial statements for the details of plans). Remuneration to the executives, disclosed in note 39 to these financial statements are determined in accordance with the terms of their appointment.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

Details of transactions with related parties are given below:

	2004	2003
	(Rupees in '000)	
<b>Advances</b>		
At January 01	500,000	1,404,226
Given during the year	1,000,000	8,753,020
Repaid during the year	-	(9,657,246)
At December 31	<u>1,500,000</u>	<u>500,000</u>
<b>Deposits</b>		
At January 01	2,268,428	1,653,691
Received during the year	30,997,599	14,324,593
Withdrawn during the year	(29,671,884)	(13,709,856)
At December 31	<u>3,594,143</u>	<u>2,268,428</u>
Placements made during the year	<u>99,474,467</u>	<u>86,767,406</u>
Placements settled during the year	<u>85,857,768</u>	<u>86,767,406</u>
Maximum amount of a placement made during the year	<u>2,687,400</u>	<u>1,188,750</u>
Mark-up / return / interest earned	65,125	47,127
Mark-up / return / interest expensed	108,703	62,846
Other	1,210,000	1,076,370
Reimbursement of liaison office expenses paid to Abu Dhabi Group and Bestway Group	31,535	20,746
Investment made during year	4,600	850,000

Transactions entered into with directors/ executive officers as per their terms of employment are excluded from related party transactions

**49. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on January 31, 2005 has proposed a cash dividend in respect of 2004 of Rs 1.50 per share (2003: cash dividend Rs 2.25 per share). This appropriations will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended December 31, 2004 do not include the effect of this appropriations which will be accounted for in the financial statements for the year ending December 31, 2005.

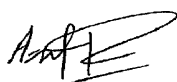
**50. DATE OF AUTHORISATION**

These financial statements were authorised for issue on January 31, 2005 by the Board of Directors of the Bank.

**51. GENERAL**

Comparative figures have been reclassified and rearranged as follows:

- Lendings to financial Institutions amounting to Rs. 4,045.237 million have been reclassified from advances to lendings to financial institutions.
- General Provision against advances amounting to Rs 118.977 million has been reclassified and shown as a deduction from performing advances. This amount was adjusted against non-performing advances in the prior year.
- Comparative information has also been restated to give effect to the change in accounting policy as disclosed in note 5.9 to the financial statements.



Atif R. Bokhari  
President and  
Chief Executive Officer



Ahmad Waqar  
Director



Sir Mohammed Anwar Pervez, OBE, HPK  
Deputy Chairman



Nahayan Mabarak Al Nahayan  
Chairman

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**1. Details of Investment held in companies and modarabas**

Investee	Number of shares /certificate held	Paid up value per share/ certificate (Rupees)	Total paid up value (Rupees in '000)	Cost
<b>Available- for- sale securities</b>				
ABAMCO Stock Market Fund	131,062	10	1,311	2,250
Adamjee Insurance	100,000	10	1,000	6,265
Askari Commercial Bank	76,700	10	767	7,257
Azam Textile Mills Limited	292,851	10	2,929	2,929
Baig Spinning Mills Ltd.	662,050	10	6,621	6,621
D. G. Khan	350,000	10	3,500	18,785
Dewan Salman	700,000	10	7,000	13,280
Faysal Balanced Growth Fund -(Class A)	150,000	10	1,500	15,000
HUBCO	900,000	10	9,000	29,224
Kay Tex Mills Ltd.	377,800	10	3,778	3,778
KESC	3,041,500	10	30,415	24,271
Kohat Textile Mills Ltd.	100,000	10	1,000	1,000
Kohinoor Oil Mills Ltd.	500	10	5	2
Lucky cement	1,100,000	10	11,000	43,690
Muslim Commercial Bank Limited	100,000	10	1,000	6,012
National Refinery Limited	705,000	10	7,050	31,440
Pakistan PTA	850,000	10	8,500	10,075
Pakistan Strategic Alloc. Fund	1,000,000	10	10,000	10,000
Pakistan Telecommunication Corporation Limited	1,000,000	10	10,000	42,429
PIA	500,500	10	5,005	6,946
PICIC Investment Fund (formerly 24th ICP Mutual Fund)	275,337	10	2,753	4,988
Pioneer Cement	700,000	10	7,000	13,735
Pakistan Petroleum Limited	900,000	10	9,000	121,607
PSO	355,000	10	3,550	89,386
Sakrand Sugar Mills Limited	1,547,040	10	15,470	11,720
Saleem Sugar Mills Limited (Charsadda)	892	10	9	8
Sarhad Cigarette Inds. Limited	72,080	5	360	360
Saritow Spinning Mills Ltd.	617,110	10	6,171	6,171
Shell Pakistan Limited	55,000	10	550	18,129
Sui Southern Gas Company Limited	300,000	10	3,000	8,016
Tariq Glass	210,149	10	2,101	2,101
The Resource Group	13,492,000	10	134,920	134,920
Unilever Pakistan Limited	29,000	50	1,450	29,660
World Call Broad Band Limited	1,381,000	10	13,810	13,810
<b>Modarba Certificate</b>				
First Mehran Modaraba	124,796	10	1,248	750

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**2. Details of Investments held in unlisted shares**

Investee	Number of shares	Cost	Break up value of Investment	Based on Audited accounts as at	Name of Chief Executive
<b>(Rupees in '000)</b>					
<b>Shareholding more than 10 %</b>					
Investment Corporation of Pakistan	460,000	41,998	240,408	June 30, 2004	A.Latif Uqaili
Pakistan Agricultural Storage and Services Corporation	5,500	5,500	109,831	March 31, 2003	Maj General Fahim Akhtar Khan
Khushali Bank	200	200,000	207,578	December 31, 2003	Mr M Ghalib Nishtar
First Women Bank Limited	2,532,000	21,100	50,656	December 31, 2003	Ms Zarin Aziz
<b>Shareholding upto 10 %</b>					
National Institute for Facilitation of Technology (Pvt.) Ltd.	401,352	1,527	12,478	June 30, 2004	Mr M M Khan
SME Bank Limited	2,981,327	26,950	35,371	December 31, 2003	Mr Mansoor Khan
Equity Participation Fund	27,000	2,700	12,585	June 30, 2004	Mr Shahid Akhtar
News - Vis Credit Information Services (Pvt) Limited	32,500	325	25	June 30, 2003	Mr. Fahim Ahmed
Others*		817			

\* Others represents investment in companies having nil breakup value in respect of which full provision has been made in these financial statements.

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**3. Details of Debentures**

	Terms of redemption		Rate of interest	Principal outstanding (Rupees in '000)
	Principal	Interest		
<b>Public Sector</b>				
Karachi Development Authority	Overdue	Overdue	12.50%	156,034
Pak Machine Tool Factory	Overdue	Overdue	12.50%	768
SDA Leather Tannery	Overdue	Overdue	12.00%	1,621
SDA Cold Storage Peshawar-I	Overdue	Overdue	12.50%	1,400
SDA Cold Storage Peshawar-II	Overdue	Overdue	12.00%	1,043
SAD Cold Storage Mardan-I	Overdue	Overdue	12.50%	1,300
SDA Cold Storage Mardan-II	Overdue	Overdue	12.00%	856
SDA Cold Storage Haripur-I	Overdue	Overdue	12.50%	1,300
SDA Cold Storage Haripur-II	Overdue	Overdue	12.00%	825
<b>Private Sector</b>				
Afsar Textile Limited	Overdue	Overdue	8.50%	1,750
Ajax Industries Limited	Overdue	Overdue	14.00%	1,660
Alley Hoisery Mills Limited	Overdue	Overdue	14.00%	200
Attock Textile Mills Limited	Overdue	Overdue	14.00%	120
Central Associates Limited	Overdue	Overdue	11.00%	1,015
Consolidated Spinning Mills Limited	Overdue	Overdue	14.00%	56
Effee Industries Limited	Overdue	Overdue	11.00%	1,017
Effee Industries Limited	Overdue	Overdue	14.00%	378
Electric Lamp Manufacturing Limited	Overdue	Overdue	14.00%	55
Electric Lamp Manufacturing Limited	Overdue	Overdue	12.50%	40
Junaid Cotton Mills Limited	Overdue	Overdue	11.00%	75
Junaid Cotton Mills Limited	Overdue	Overdue	14.00%	450
Khyber Textile Mills Limited	Overdue	Overdue	14.00%	394
Mehr Textile Mills Limited	Overdue	Overdue	14.00%	750
Mehr Textile Mills Limited	Overdue	Overdue	11.00%	81
Milly Leather Mills Limited	Overdue	Overdue	14.00%	619
Morgah Valley Industries Limited	Overdue	Overdue	11.00%	316
Morgah Valley Industries Limited	Overdue	Overdue	14.00%	160
National Woolen Mills Limited	Overdue	Overdue	14.00%	150
Nilom Shoes Limited	Overdue	Overdue	14.00%	817
Printing Corporation of Frontier	Overdue	Overdue	14.00%	79
Progressive Tobacco Industries Limited	Overdue	Overdue	14.00%	142
Ruby Rice & General Mills Limited	Overdue	Overdue	14.00%	250
Tanveer Woolen Mills Limited	Overdue	Overdue	14.00%	96
Tariq Cotton Mills Limited	Overdue	Overdue	14.00%	337
Zulshan Engineering Company Limited	Overdue	Overdue	14.00%	121



**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**4. Detail of Bonds**

	Terms of Redemption		Rate of Interest	Outstanding amount (Rupees in '000)
	Principal	Interest		
Ghee Corporation of Pakistan	Annually	Half Yearly	15.00%	421,159
Heavy Mechanical Complex	At Maturity	Half Yearly	*	28,480
Pakistan Agricultural Storage & Services Corporation	At Maturity	Half Yearly	*	658,769
Pakistan Automobile Corporation	At Maturity	Half Yearly	*	651,011
Punjab Engineering Company Limited	At Maturity	Half Yearly	*	95,184
Rice Export Corporation of Pakistan	Annually	Half Yearly	15.00%	1,024,380
Rice Export Corporation of Pakistan- Low yield	At Maturity	Annually	14.00%	416,000
Saindak Metals Limited I	Annually	Half Yearly	15.00%	762,604
Saindak Metals Limited II	Half Yearly	Half Yearly	**	1,209,954
Water and Power Development Authority	Annually	Half Yearly	***	431,999
				5,699,540

\* Annual weighted average of last year's rate of return on Treasury Bills.

\*\* Six Monthly simple average of weighted average yields of 3 years tenor Pakistan Investment Bonds (PIBs) plus 30 basis points prevailed during accrual period.

\*\*\* SBP discount rate plus 2%.

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**5. Details of Investment in Participation Term Certificates**

Investee	No. of Certificates held	Paid up value per certificate (Rupees)	Total paid up value	Outstanding amount	Name of Chief Executive
Ali Paper Board Industries Limited	1	1,891,000	1,891	1,891	Mr. Farooq Alam Butt
	12	125,167	1,502	1,502	
	13			3,393	
Alipur Jute Mills Limited	28	208,464	5,837	3,184	Mr. Ghulam Subhani Khan
	1	379,000	379	379	
	1	2,906,000	2,906	2,906	
	30			6469	
American Marble Products Limited	12	149,833	1,798	1,250	Mr. Muhammad Hanif Sattar
Baluchistan Clay Products Limited	16	116,406	1,863	1,863	Mr. Jaffar Ali Sagarwalla
	1	2,000,000	2,000	2,000	
	17			3,863	
Bhawalpur Board Mills Limited	14	96,786	1,355	1,261	Ch. Ali Muhammad
	1	563,000	563	563	
	15			1,824	
Bela Ghee Mills Limited				1,066	Prince Jan Muhammad Yousuf
Brother Steel Mills				2,144	Mian Yousuf Aziz
Coltex Mills Limited				430	Mr. Gulzar Ahmed
Crystal Chemicals Limited				3,897	Mr. Maqsoos A. Shaikh
Dadabhoy Cement Industries Limited	16	937,500	15,000	2,794	Mr. Muhammad Amin Dadabhoy
Delta Tyre & Rubber Company Limited	7	194,125	1,165	1,686	Mr. Iqtedar Ahmed Chaudhry
Frontier Ceramics Limited (NWFP)	20	341,100	6,822	330	Mr. Ansarullah Khan
Gem Industries Limited	12	97,292	1,168	1,168	Mr. Muhammad Wali Imam
	1	350,000	350	350	
	13			1,518	
Ittehad Industries Limited				446	Mr Hazrat Dayan
Jubilee Paper Boards Mills Limited	28	168,929	4,730	4,580	Shiekh Ziauddin
	1	518,000	518	518	
	1	1,662,500	1,663	1,663	
	30			6,761	
Kamal Enterprises Limited				1,093	Mr. Khuda Buksh Marri
Khalil Jute Mills Limited	16	170,781	2,733	1,280	Mian Aziz-ul-Haq Qureshi
Leatherite Limited				889	Mr. Nazar Farid Maneka
Mass Dairies Limited				2,523	Mian Muhammad Akhtar Pagan
Morgah Valley Limited				436	Air Marshal A. Rahim Khan

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**5. Details of Investment in Participation Term Certificates**

Investee	No. of Certificates held	Paid up value per certificate (Rupees)	Total paid up value	Outstanding amount	Name of Chief Executive
National Fructose Company Limited	10	349,700	3,497	3,291	Mr. Shakirullah Durrani
	1	2,562,500	2,563	2,562	
	11			5,853	
National Tiles & Ceramics Limited	1	1,345,000	1,345	768	Agha Tajammul Hassan
Pakistan Laminates				11	Dt Basharat Elhai
Pangrio Sugar Mills Limited				12,908	Syed Sajid Hussain Naqvi
Punjab Cables Limited	14	120,571	1,688	857	Mr. M. Raza Hussain
	1	2,976,000	2,976	2,976	
	15			3,833	
Rainbow Package Limited				1,769	Syed Bashir Ahmed
Sampark Paper & Board				165	Syed Muhammad Maghfoor
Sethi Industries Limited	14	56,929	797	797	Mr. Muhammad Saeed Sethi
	1	2,813,000	2,813	2,813	
	15			3,610	
United Wood Veneer Limited				728	Mr. Kaleemullah Khan
Waziristan Oil Industries Limited				904	Mian Muhammad Adil Manoo
Zafar Oil Industries Limited				268	Nawabzada Shaukat Ali Khan
Zamrock fibers Glass Limited				2,358	Mr. S. Z. H. Syed

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**6. Details of Investment in Term Finance Certificates**

Investee	No. of certificates held	Paid up value per certificate	Total paid up value	Outstanding amount	Name of Chief Executive
		(Rupees)	( Rupees in 000's )		
<b>Listed</b>					
Orix Leasing Pakistan Limited	34,000	5,000	170,000	140,355	Humayun Murad
Dawood Leasing	5,000	5,000	25,000	25,000	Rafique Dawood
Paramount Spinning Mills	10,769	5,000	53,845	53,845	Tanveer Ahmed
Gulistan Textile Mills	12,038	5,000	60,190	60,190	Naseer Ahmed
Gulshan Spinning Mills	1,996	5,000	9,980	9,980	Tanveer Ahmed
Securetel SPV Limited	27,000	5,000	135,000	56,250	Xabier Rocoplan
Crescent Leasing Corp.	38,271	5,000	191,355	143,355	Javed A. Callea
Bank Al Habib Limited	5,000	5,000	25,000	25,000	Abbas D. Habib
Nishat Textiles	20,000	5,000	100,000	99,960	Mrs. Naz Mansha
Union Bank Limited II	4,000	5,000	20,000	19,996	Mr. Shaukat Tarin
Shakar Ganj Sugar Mills	15,000	5,000	75,000	12,485	Ahsan M. Saleem
<b>Unlisted</b>					
Al-Azhar Textiles Limited	14	774,670	10,845	5,418	Mirza Muhammad Azhar Baig
Al-Asif Sugar Mills Limited	14	4,915,156	68,812	16,958	Mr. Qazi Afzal Abid Abbasi
Al-Fahim Textile Mills Limited	6	841,355	5,048	1,907	Mr. Riaz-ur-Rehman
Apex Fabrics Limited				2,640	Mr. Iftekhar Ahmed
Aqma Textile Mills				4,466	Mr. Zeshan Ghaffar Khan
Aruj Textile Mills Limited				3	Mr. Javed Ahmed Kayani
Azeem Tapes (Pvt) Limited	36	161,591	5,817	2,894	Haji Muhammad Ishaq Jan
Askari Commercial Bank Ltd	41,000	5,000	205,000	205,000	Mr. Kalim-ur-Rehman
Bank Al Falah Limited	10,000	5,000	50,000	49,960	Mr. Salim Akhtar
Bachani Sugar Mills Limited				25,500	Mr. Noorul Amin Bachani
Baluchistan Coaters Limited	6	729,067	4,374	514	
	16	58,969	944	2,550	
	22			<b>3,064</b>	Mr. Sardar Muhammad
Bankers Equity Limited	10	104,358,300	1,043,583	1,043,583	Mr. Amjad Aziz Khan
Blue Star Spinning Mills	17	497,020	8,449	3,392	Chaudry Ghulam Farid
Bentonite (Pakistan) Limited				3,417	Mr. Khalid Shakil
CAST-N-LINK Products Limited	16	369,054	5,909	2,549	Mr. Nisar Ahmed
Calcuim Limited				404	Liquidated
Chaudry Wire Rope Ind Limited				1,878	Ch. Muhammad Akram

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**6. Details of Investment in Term Finance Certificates**

Investee	No. of certificates held	Paid up value	Total paid up	Outstanding	Name of Chief Executive
		per certificate	value	amount	
		(Rupees)	( Rupees in 000's )		
Chiniot Textile Mills Limited				109	Mr. Shahid Usman
Chiragh Sun Eng Limited				3,108	Rana Mushtaq Ahmed
Crescent Leasing Corp.	183,891	5,000	919,455	901,428	Mr. Anwar Shafi
Dress Leather Limited	1	4,365,075	4,365	1,000	
	16	126,058	2,017	3,663	
	17			<b>4,663</b>	Mr. Masood Ahmed
Dewan Farooq Spining Electronic Information & Energy System	30,000	5,000	150,000	150,000	Dewan M. Yousuf Farooqui
	14	581,032	8,134	4,014	
	5	344,167	1,721	1,282	
	19			5,296	Air Marshal (R) M. Waqar
Faruki Pulp Mills Limited	14	2,627,445	36,784	17,550	Mr. Salim A. Faruqi
Frontier Ceramics Limited				3,113	Mr. Shakirullah Durrani
Frontier Dextrose Limited	46	370,100	17,025	1,130	Mr. Taimur Shah
General Dairies & Foods Limited				1,350	Brig. (R) M.A. Baig
Glorex Textiles Mills Limited				1,139	Mr. M. Akram
Hospitex Limited				511	Dr. Amanullah Khan
Pakistan Mobile Communication Ltd	230,000	5,000	1,150,000	1,150,000	Mr. Zouhair A. Khaliq
Kashmir Polytex Limited				938	Muhammad Ashraf Khan
Kohinoor Weaving Mills	37,400	5,000	187,000	186,996	Mr. Amir Fayaz Shaikh
Khairpur Sugar Mills Limited	28	1,642,971	46,003	19,477	M. M. Muneeb Jumani
Larr Sugar Mills Limited	48	846,416	4,628	9,894	
	28	1,012,525	28,351	6,020	
	76			<b>15,914</b>	Mr. Abdul Rauf Farouq
Malik Food Industries Limited				2,472	Mr. Khalid Aziz Malik
Malik Textile Industries Limited	1	3,831,208	3,831	3,069	
	14	387,500	5,425	3,215	
	15			<b>6,284</b>	Mr. Ghulam Rasool Malik
Minaco Fabrics Mills Limited	28	468,319	13,113	7,350	Assets Sold
Mumtaz Shahbaz Textile Mills Ltd				3,517	Mr. Mirza Mumtaz Baig
Munawar Engineering Limited	14	251,214	3,517	2,187	Mr. M. Azeem Khan
Munro & Miller (Pak) Limited				368	Mr. Yousuf Shaheen Dawood Pota
New Allied Electronic Ind. Pvt Ltc	45,000	5,000	225,000	225,000	Mian Pervez Akhtar
Novelty Fabrics Processing Mills				15,526	Mr. Zubair Mohsin

**ANNEXURE 'A' AS REFERRED IN NOTE 9.5 TO THE FINANCIAL STATEMENTS**
**6. Details of Investment in Term Finance Certificates**

Investee	No. of certificates held	Paid up value per certificate	Total paid up value	Outstanding amount	Name of Chief Executive
		(Rupees)	( Rupees in 000's )		
Packages Limited	5,000	5,000	25,000	25,000	Syed Wajid Ali
Pak Kuwait Inv Co.	190,000	5,000	950,000	950,000	Mr. Isthakbal Mehdi
Pak Libya Holding Company	200,000	5,000	1,000,000	999,999	Mr. Khalid Sherwani
Pak Pattan Dairies Limited				3,242	Mr. Zubair Mohsin
Pangrio Sugar Mills Limited.	16	321,445	5,143	887	Mr. Farooq Ahmed Khan Mankek
Paramount Spining	42,000	5,000	210,000	209,997	Mr. Tanveer Ahmed
PIAC	483,040	5,000	2,415,200	2,415,128	Mr. Ahmed Saeed
Prime Commercial Bank Limited	22,000	5,000	110,000	110,000	Saeed I. Chaudhri
Pirjee Weaving Mills Limited				857	Mr. Zia-ur-Rehman
Promotals Limited				1,321	Mr. M. Yasin Chaudhri
Raja Weaving Mills Limited	14	516,891	7,236	3,831	Mr. Munaf Riaz
Rai Textile Mills				28	Sheikh M. Tahir
Regency Textile Limited	16	555,825	8,893	1,750 4,415	Mr. M. Iqtidar Pervaiz
Rehman Sharif Textiles (Private) Limited	24	108,974	2,615	973	Mr. Rana Muhammad Sharif
	40			973	
Scan Recycling (Pak) Limited				774	Mr. Mazharul Haq
Sialkot Dairies Limited				2,320	Ch. Javed Mehdi
Security Leasing	25,000	5,000	125,000	125,000	M.R. Khan
Silver Land Mills Limited				1,650	Mr. Tanveer Iftikhar
Sunsas enterprises				4,614	Project Sold
Sunflo Juices Limited				5,230	Sardar Fida Hussain
Tandlianwala Sugar Mills	5,800	5,000	29,000	29,000	Mr. Haroon Akhtar
Taj Syringes Private Limited				5,142	Mr. A. Hameed Khan Burki
Tanocrafts Limited				948	Dr. Muzzafar Essani
Tharparkar Sugar Mills				26,238	Mr. Irfan Ali Shah
Turbo Tubes Limited				9	Liquidate
Ultra Engineering Private Limited				210	Mr. Sultan Ahmed
Zamir Textile Mills Limited	28	986,908	27,633	15,892	
	24	75,828	1,820	1,405	
	52			17,297	Mr. Allauddin Sheikh

**ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
1.	M/s.A.Z. Hashmi ( Pvt. ) Ltd. 11/1, D - Street, Phase - V, DHA, Karachi.	1. Mr. Akbar Ali Hashmi 2. Mr. Irfan-ul-Haq 3. Mr. Yasin Zafar 4. Mrs. Rana Akhtar	1.0246-87-020656 2.502-63-080941 3.0244-85-121631 246-56-020661	1.Mr.M.Fazil Hashmi 2.Mr.Ikaramul Haq 3.Mr.M.Zaheer Hashmi 4.Mr.M.Fazil Hashmi	2.970	0.660	-	<b>3.630</b>	2.970	0.660	-	<b>3.630</b>
2.	M/s.MTM International Bearing Industries Limited, 40-KM, Multan Road, Manga Mandi,Distt. Lahore.	1. Mr. Faiz Ahmed 2. Mr. Abdul Sattar 3. Mr. Muhammad Riaz 4. Mr. Abdul Ghaffoor	1.267-57-243777 2.267-60-065215 3.267-86-065215 4.267-63-065218	1.Mr.Ghulam Muhammad 2.Mr.Ghulam Muhammad 3.Mr.Ghulam Muhammad 4.Mr.Ghulam Muhammad	1.704	0.995	-	<b>2.699</b>	-	-	5.337	<b>5.337</b>
3.	M/s.National Absorbent Cotton Mills Company, A-37, S.I.T.E., Karachi.	1. Sheikh Iftikhar Hussain 2. Sheikh Akhtar Hussain 3. Sheikh Intizar Hussain 4. Sheikh Ashfaq Hussain 5. Sheikh Iqbal Hussain 6. Sheikh Altaf Hussain	1.42201-9687666-7	1.Hafiz Fazal Hussain 2.Hafiz Fazal Hussain 3.Hafiz Fazal Hussain 4.Hafiz Fazal Hussain 5.Hafiz Fazal Hussain 6.Hafiz Fazal Hussain	1.908	1.517	0.202	<b>3.627</b>	-	0.519	0.388	<b>0.907</b>
4.	M/s.Imrana Industries (Pvt.) Limited, Kacha Sadiqabad Road, Rahimyar Khan..	1. Mr. Aijaz Ahmed 2. Mr. Ilyas Ahmed 3. Mr. Asghar Ahmed 4. Mr. Saeed Khalid	N/A	1.Mr.Niaz Ahmed 2.Mr.Niaz Ahmed 3.Mr.Niaz Ahmed 4.Haji Khuda Bux	2.517	-	-	<b>2.517</b>	1.017	-	0.990	<b>2.007</b>
5.	M/s.Keep Cool. Frere Street, Dr.Daud Pota Road, Karachi.	Mr.S Abdul Nasir	N/A	N/A	1.034	0.367	-	<b>1.401</b>	1.034	-	0.367	<b>1.401</b>
6.	Mian Abdul Rashid, 10 - A, 8th Street, D. H. S., Karachi.	Mian Abdul Rashid	N/A	N/A	0.995	0.362	-	<b>1.357</b>	0.995	-	0.362	<b>1.357</b>
7.	M/s.Bright Auto Store, H.S.Advani Street,Plaza Square, M.A. Jinnah Road, Karachi.	1. Sheikh Muhammad Akram 2. Sheikh Muhammad Ashraf	N/A	1.Shaikh Inayatullah 2.Shaikh Inayatullah	1.306	2.233	-	<b>3.539</b>	1.306	1.558	0.675	<b>3.539</b>
8.	M/s.Jamal Trading Coporation, Room No.8, Arkay Square, New Challi,Shahrah-e-Liaquat, Karachi.	1. Mr. Shamsuddin Jamal 2. Mr. M. K. Jamal 3. Mr. Habib Jamal 4. Mr.Noor Din Jamal	1.518-58-246364	1.Mr.Noorddin Jamal 2.Mr.Noorddin Jamal 3.Mr.Noorddin Jamal	0.668	0.770	-	<b>1.438</b>	0.668	0.176	0.594	<b>1.438</b>
9.	M/s.Imperial Traders, 1st Floor, Rehman Building, Bombay Bazar, Karachi.	Mr. Rasheed Ahmed	N/A	Mian Afzal Karim	0.086	0.161	-	<b>0.247</b>	-	0.154	0.857	<b>1.011</b>
10.	M/s.United Traders, 16 - G, Gulberg - II, Lahore.	1. Mr.Iftikhar Ahmed 2. Mr.Shahid Iftikhar 3. Mr.Khalid Iftikhar	N/A	1.Late Siraj Ahmed	0.300	0.386	-	<b>0.686</b>	0.150	0.386	0.258	<b>0.794</b>
11.	Mr. Muhammad Shafi Ghuari, 75- A/1, Revenue Employees Society, Jauhar Town, Lahore.	Mr. Muhammad Shafi Ghuari	318-86-505535	Mr.Muhammad Ibrahim Ghauri	0.180	0.073	-	<b>0.253</b>	0.004	-	0.678	<b>0.682</b>

**ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
12.	Mr. Abdul Rahim Panezai, Kasra # 1387/1385, Ziarat,Quetta.	Mr. Abdul Rahim Panezai	N/A	Haji Muhammad Gul	0.500	0.654	-	<b>1.154</b>	-	-	0.704	<b>0.704</b>
13.	Mr. Abdul Wahab Muhalla Sharif Shah, Ratodero	Mr. Abdul Wahab	N/A	Mr.Abdul Haque Abbasi	0.050	0.374	0.021	<b>0.445</b>	0.004	0.180	0.576	<b>0.760</b>
14.	M/s.National Modarba Company Ltd. (M/s.Decola Pakistan Ltd.), Plot # 51, Sector # 7-A, Korangi Industrial Area, Karachi.	1.Mr.Abdulrehman M.Bukhtiar 2.Mr.Azfar Hasnain 3.Mr.Shafiq Ali Syed	2.517-41-034369 3.514-41-095366	1.Mr.Khalfan Bukhtiar 2.Syed Ainul Hassan 3.Mr.Raza Ali Syed	15.853	-	-	<b>15.853</b>	-	-	10.853	<b>10.853</b>
15.	M/s. Aaj Textile Mills Limited.. Shorkot Distt. Jhang & 15 - F.C. C. Gulberg, Lahore.	1. Syed Jamat Ali Shah 2. Syed Shahzad Ali Shah 3. Syed Mansoor Ali Shah	N/A	1.Syed Abdullah Shah 2.Syed Abdullah Shah 3.Syed Jamat Ali Shah	1.802	6.371	-	<b>8.173</b>	1.570	0.825	17.890	<b>20.285</b>
16.	M/s.Mansoor Textile Mills Ltd., Shorkot Distt. Jhang.	1. Syed Jamat Ali Shah 2. Syed Shahzad Ali Shah 3. Syed Mansoor Ali Shah	N/A	1.Syed Abdullah Shah 2.Syed Abdullah Shah 3.Syed Jamat Ali Shah	1.536	4.753	-	<b>6.289</b>	1.300	0.408	13.331	<b>15.039</b>
17.	Mst.Mina Jan, House No.D - 480, Peoples Colony, North Nazimabad, Karachi.	Mst. Mina Jan	N/A	N/A	0.719	0.523	0.077	<b>1.319</b>	0.083	0.523	0.355	<b>0.961</b>
18.	M/s.World Garments Pakistan (Pvt.) Limited, P.O. Box # 388, Usmanabad, Faisalabad.	1.Mr. Abdul Razzak 2.Mr. Riaz Ahmed 3.Mr. M.Qadir Khan 4.Mr. Sultan Khan 5.Mr. Sadiq Ali 6.Mr. Muhammad Ishaq 7.Late Ulfat Ali 8.Late Muhammad Ismail 9.Late Abdul Hameed	N/A	1.Late Ulfat Ali 2.Late Ulfat Ali	15.012	-	-	<b>15.012</b>	4.012	-	22.150	<b>26.162</b>
19.	M/s.Pak Belt Industries Limited. Sheikhupura Road, Lahore & 1 Canal Block, Aziz Avenue, Gulberg - 5, Lahore.	1. Shaikh Arshad Saeed 2. Shaikh Asad Amin 3. Shaikh Akmal Arshad	1.35202-3300714-5 2.35201-9478856-1 3.35202-0174157-7	1.Shaikh Muhammad Amin 2.Shaikh Arshad Saeed 3.Shaikh Arshad Saeed	1.214	-	-	<b>1.214</b>	-	-	4.194	<b>4.194</b>
20.	M/s.Qureshi Wool Industries, 10 - KM, Lahore - Sheikhupua Road, Lahore and 2nd Floor, Chinar Centre near Plastic Market, Shahalam Market, Lahore.	1. Mian Ibtisarul Haq 2. Mian Ijazul Haq 3. Mrs. Uzma Haq 4. Mrs. Tanveer Ijaz 5. Mrs. Huma Khalid 6. Mrs. Yasmeen Rehman 7. Mian Saquib Khalid	1.35202-8305483-3 2.35202-7331506-1 3.35202-6201390-2 4.270-88-346830 5.271-91-082435 6.267-51-107816 7.271-92-082437	1.Mian Ilam-ud-Din 2.Mian Ilam-ud-Din 3.Mian Ibtisarul Haq 4.Mian Ijazul Haq 5.Mian Muhammad Khalid 6.Mian Misbahur Rehman 7.Mian Muhammad Khalid	0.945	0.459	-	<b>1.404</b>	0.495	-	1.153	<b>1.648</b>
21.	M/s.Redco Pakistan (Pvt.) Ltd., Chak Shahzad, Islamabad.	1.Mr.Saif-ur-Rehman Khan 2.Mr.Mujeeb-ur-Rehman Khan 3.Mr.Atiq-ur-Rehman Khan 4.Late Amanullah Khan	1.270-54-108950 2.101-60-582256 3.272-66-441397	1.Late Amanullah Khan 2.Late Amanullah Khan 3.Late Amanullah Khan	17.008	8.069	-	<b>25.077</b>	-	-	17.570	<b>17.570</b>



**ANNEXURE 'B' AS REFERRED IN NOTE 10.5 TO THE FINANCIAL STATEMENTS**
*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
22.	M/s.M. Suleman & Co., Ghalla Mandi, Bahawalnagar.	1.Mr.Abdul Razzak 2.Mr.Abdul Shakoor 3.Mr.Abdul Ghaffar 4.Mian Muhammad Suleman	N/A	1.Mian Muhammad Suleman 2.Mian Muhammad Suleman	0.250	0.856	-	<b>1.106</b>	-	0.384	1.980	<b>2.364</b>
23.	M/s.Yousuf Hardware Industries, F - 5/A, S. I. T. E., Karachi.	1.Mr.Akber Mehmood 2.Mr.Anis Iqbal 3.Mr.Asgar Mehmood 4.Mr.Khurshed Ahmed	1.517-70-068723 2.517-60-339344	1.Mr.Muhammad Ahmed 2.Mr.Muhammad Ahmed 3.Mr.Muhammad Ahmed 4.Mr.Muhammad Ahmed	6.913	15.533	-	<b>22.446</b>	6.913	15.146	49.271	<b>71.330</b>
24.	M/s.Hussain Beverages Ltd., Korangi Industrial Area, Karachi.	1.Mr.Sajjad Hussain 2.Mrs.Uzma Hussain	1.517-89-187185 2.517-93-187187	1.Mr.Abbas Hussain 2.Mr.Abbas Hussain	5.906	6.369	-	<b>12.275</b>	-	-	19.797	<b>19.797</b>
25.	M/s.Feroz Muhammad Ali, Salim Centre, Ram Bharti Street, Jodia Bazar, Karachi.	Mr. Feroz Muhammad Ali	N/A	Mr.Muhammad Ali	2.381	0.525	-	<b>2.906</b>	2.381	0.041	0.484	<b>2.906</b>
26.	M/s. Radio Palace, Feroz Castle Building, Frere Road, Karachi.	Mr. Jaffar Ali	515-55-175996	Mr.Rajab Ali	3.562	-	-	<b>3.562</b>	3.562	-	-	<b>3.562</b>
27.	M/s.Pak Punjab Carpets Limited, Kot Lakhpat, Lahore.	1. Khawaja Zubair Ahmed 2. Khawaja Adnan Zubair 3. Khawaja Talha Zubair 4. Mrs. Mussarat Zubair 5. Khawaja Imran Zubair 6. Khawaja Ahsan Zubair 7.Mrs. Huma Adnan	N/A	1.Khawaja Ghulam Mohyuddin 2.Khawaja Zubair Ahmed 3.Khawaja Zubair Ahmed 4.Khawaja Zubair Ahmed 5.Khawaja Zubair Ahmed 6.Khawaja Zubair Ahmed 7.Khawaja Adnan Zubair	1.000	-	-	<b>1.000</b>	-	-	0.626	<b>0.626</b>
28.	M/s.Pak Soya Feeds (Pvt.) Ltd., Pano Dheri,Oghi Road-Mansehra & 53 - Main Shadman Market, Lahore.	1. Mr.Muhammad Afzal Khan 2. Mr.Samad Afzal Khan 3. Mr.Asad Afzal Khan 4. Mrs.Sunnaiya Afzal Khan	2.13101-2877219-1 3.13101-2877221-7 4.13101-2877365-4	2.Mr.Muhammad Afzal Khan 3.Mr.Muhammad Afzal Khan 4.Mr.Muhammad Afzal Khan	5.015	2.227	-	<b>7.242</b>	-	0.930	12.124	<b>13.054</b>
29.	M/s. G.M.Textile, P - 442, Street # 11-12, Mian Bazar - Mansoorabad, Faisalabad.	1. Hafiz Ghulam Mustafa 2. Mr.Ghulam Muhammad 3. Mr.Muhammad Akram Shakeel 4. Mst. Anwari 5. Hafiz Ghulam Murtaza	1.244-31-282418 2.244-41-282408 3.244-49-282415 4.255-35-132046	1.Mr.Muhammad Ali 2.Mr.Muhammad Ali 3.Mr.Muhammad Ali 4.W/o.Syed Ahmed	4.299	0.247	-	<b>4.546</b>	0.367	-	1.778	<b>2.145</b>
30.	M/s.Sanaullah & Company, P - 442, Street # 11/12, Mansoorabad, Faisalabad.	1. Mr.Sanaullah 2. Mr.Muhammad Akram Sakeel 3. Mr.Ghulam Muhammad 4. Hafiz Ghulam Mustafa	N/A	Mr.Rehmatullah	7.000	1.386	-	<b>8.386</b>	2.500	0.616	1.867	<b>4.983</b>

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*(Rupees in million)*

S. NO.	NAME & ADDRESS OF THE BORROWER	NAME OF INDIVIDUALS PARTNERS/ DIRECTORS	NIC NUMBER	FATHER'S/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL
					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
31.	M/s.Karachi Properties & Investment Company(1974) Ltd., (Hyatt Regency Hotel), Opp. PIDC House, Karachi.	1. Mr. M. C. Minwalla 2. Mr. K. M. Muneer 3. Mr. D. C. Minwalla 4. Mr. K. M. Rafi Muneer 5. Mrs.Vera N. Dastior 6. Mr. K. M. Zaki Muneer	N/A	N/A	21.100	43.173	-	<b>64.273</b>	-	5.915	213.507	<b>219.422</b>
32.	M/s.Arkey Traders, 205, Unit Tower, I.I. Chundrigar Road, Karachi.	Mr. Sultan Muhammad	501-40-682086	N/A	1.378	0.199	-	<b>1.577</b>	1.378	0.049	0.150	<b>1.577</b>
33.	M/s.Kamal Enterprises Ltd., 2 - Jail Road, Quetta and factory at Sibi - Baluchistan.	1.Justice (Rtd) Khuda Bux Marri 2. Mrs.Anita Yasmin 3. Mir Kamal Farid Marri 4. Ms.Naeem B. Marri 5. Mrs. Elsa Yasmeen	N/A	N/A	1.804	1.578	-	<b>3.382</b>	0.304	1.535	0.043	<b>1.882</b>
34.	M/s.AI-Furnishers Industries Limited, S.I.E., Kohat Road,Peshawar.	1. Mr. Amjad Ali 2. Mr. S.M. Saeed 3. Mr. Saeed Ahmed	N/A	N/A	0.500	1.065	-	<b>1.565</b>	0.500	-	1.065	<b>1.565</b>
35.	M/s.Pak Soap Industries, Plot # B-47, S.I.E.,Sukkur	Mr. Muhammad Arif Khan	409-86-055960	Hafiz Muhammad Usman	0.680	0.413	-	<b>1.093</b>	0.255	0.240	1.273	<b>1.768</b>
36.	M/s.Punjab Agro Services, Old Sabzi Mandi, Multan.	Mr.Rashid Tanveer	N/A	Mr.Muhammad Rafi	0.425	-	-	<b>0.425</b>	0.425	-	1.065	<b>1.490</b>
37.	M/s.Modren Textile Industries, 24 - 1 - A. Industrial Estate, Multan.	Mr.Zia Mohiuddin	N/A	N/A	7.942	2.699	-	<b>10.641</b>	7.942	0.864	1.835	<b>10.641</b>
38.	M/s. Diplomat Socks (Pvt.) Ltd.	1. Mr.Karamatullah Qazi 2. Mrs. Fozia Qazi 3. Miss Nadira Qazi	N/A	N/A	0.450	0.839	-	<b>1.289</b>	0.450	0.531	0.308	<b>1.289</b>
39.	M/s.G.M.Pipe Industries	1. Mr.Muhammad Iftikhar 2. Mr.Muhammad Riaz 3. Mr.Muhammad Iqbal	N/A	N/A	0.775	0.691	-	<b>1.466</b>	0.775	0.406	0.285	<b>1.466</b>
40.	M/s.Overseas Blue Star Ghee Mills Limited, Plot # 58 to 62, S.I.E., Multan Road, Bahawalpur.	1. Mr.Arshad Mir 2. Mr.Javed Ahmed 3. Mr.M. Rashid Mir 4. Mrs. Saira Arshad	1.501-86-460027 2.276-46-153029 3.501-62-158632 4.501-86=760938	1.Mr.Ghulam Muhammad 2.Mr.Ghulam Muhammad 3.Mr.Ghulam Muhammad 4.Mr.Arshad Mir	25.701	-	-	<b>25.701</b>	7.013	-	51.275	<b>58.288</b>
41.	M/s.Daman Oil Mills Ltd., Tank Road, D. I. Khan.	1.Mr.Habibullah Kundi 2.Mst.Mehr-un Nissa Khan 3.Mr.Haq Nawaz Khan Kundi 4.Mr.Saeed Akber Khan Kundi 5.Mr.Sanaullah Khan Kundi 6.Mr.Iqbal Naeem	N/A	1.Mr.Alamgir Khan Kundi 2.Mr.Habibullah	20.986	7.938	-	<b>28.924</b>	4.532	5.013	41.807	<b>51.352</b>

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*(Rupees in million)*

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					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
42.	M/s.Saigol Auto & Engineering.Works(Pvt.) Ltd., Saigol House, 205-Tannary Road, Bihar Colony, Karachi.	1.Mr.Muhammad Nasir Saigol 2.Mr.Khurram Naseer Saigol 3.Mr.Abdul Khaliq	1.508-41-125211 2.508-65-125214	1.Muhammad Bashir Saigol 2.Muhammad Nasir Saigol 3.Mr.Abdul Rasheed	3.693	4.518	-	<b>8.211</b>	3.693	4.518	18.008	<b>26.219</b>
43.	M/s.Adamjee Construction, Company (Pvt.) Ltd., 5th Floor, Adamjee House, I.I.Chundrigar Road, Karachi.	1. Mr. Abdul Razzak Usman 2. Mr. A. R. Adamjee 3. Mr. Akhtar Adamjee 4. Mr. Muhammad Yousuf 5. Mr. Aziz Fazal	N/A	N/A	2.120	1.155	-	<b>3.275</b>	-	0.832	1.538	<b>2.370</b>
44.	M/s.Rainbow Industries Ltd. (Now I.I.S. Textile Mills Ltd.), Bhai Pheru, Tehsil:Chunian, Distt.Kasur.	1. Mian Tanveer A. Shaikh 2. Mian Javed A. Shaikh 3. Mr. Abdul Rasheed	N/A	N/A	0.650	1.140	-	<b>1.790</b>	-	0.940	0.769	<b>1.709</b>
45.	M/s.Syncot Textile Mills (Pvt.) Limited	1.Syed Shamim Alam 2.Mr.Muhammad Ahmed	516-52-235782	Mr.S. Hafiz Alam	2.708	0.485	-	<b>3.193</b>	2.666	0.485	2.699	<b>5.850</b>
46.	M/s.Silver Tech	1.Syed Shamim Alam 2.Mr.Muhammad Ahmed	516-52-235782	Mr.S. Hafiz Alam	4.558	1.278	-	<b>5.836</b>	-	0.909	7.008	<b>7.917</b>
47.	M/s.Amritech Trading Company	1.Syed Shamim Alam 2.Mr.Muhammad Ahmed	516-52-235782	Mr.S. Hafiz Alam	0.400	0.395	-	<b>0.795</b>	-	0.395	0.719	<b>1.114</b>
48.	M/s.Parpiani Cotton Ginning & Pressing Factory, S.# 46/4-16, 47/2-34, Deh: Ranipur Distt.Gambat.	1.Mr.Chandan Das 2.Mr.Kauromal 3.Mr Ram Chand 4.Mr.Pursumal	1.440-59-149693	Mr.Pursoo Mal	1.741	2.098	-	<b>3.839</b>	0.641	1.678	3.380	<b>5.699</b>
49.	Muhammad Nasir	Mr.Muhammad Nasir	513-86-125089	N/A	0.348	0.621	0.085	<b>1.054</b>	-	0.423	0.169	<b>0.592</b>
50.	M/s.Sana Knitting Industries, Plot # 28, Sector # 21, Korangi Industrial Area, Karachi.	Mr.Muhammad Akhtar Chaudhry	42201-1453596-9	N/A	5.730	6.853	-	<b>12.583</b>	1.411	2.903	4.350	<b>8.664</b>
51.	M/s.Pakistan Wire Industries, E - 51, S.I.T.E., Karachi.	Mr.Mehmood Ahmed	510-35-331650	Khawaja Abdul Samad	8.112	1.802	-	<b>9.914</b>	0.590	1.121	0.682	<b>2.393</b>
52.	M/s.Hafeez Steel Works, B - 61, Industrial Estate, Dhak Road, Sukkur.	Mr.Muhammad Hafeez	N/A	Mr.Yamin	0.150	0.335	-	<b>0.485</b>	-	0.312	0.683	<b>0.995</b>
53.	M/s.Blessed International (Pvt) Ltd.,	1.Mian Ghulam Hussain 2.Mr.Ghulam Muhammad Bhatti 3.Mr.Mazhar Iqbal 4.Mr.Muhammad Abdul Wahab	N/A	1.Mr.Nawab Din 2.Mr.Sooda Khan Bhatti 3.Ghulam Muhammad Bhatti 4.Abdul Wahab	0.530	0.238	-	<b>0.768</b>	0.530	-	0.238	<b>0.768</b>

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					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
54.	M/s.Khattak Edible Oil Mills (Pvt.) Ltd., Rakh Canal East Road, Opp:Rafhan Maiz Products, Faisalabad..	1.Mr.Muhammad Adil Monoo 2.Mr.Muhammad Irfan Monoo 3.Mrs.Fouzia Monoo 4.Mrs.Rukhsana Monoo 5.Mr.Muhammad Rafiq Monoo 6.Malik Gulab Khan 7.Malik Saeed Khan	N/A	N/A	13.025	1.646	-	<b>14.671</b>	11.656	1.646	3.566	<b>16.868</b>
55.	M/s.Kehkashan Textile (Pvt.) Limited, Plot # 12 & 12/1, Sector No.15, Korangi Industrial Area, Karachi..	1.Mr.Niaz Khalid 2.Mrs.Sabohi Gul	2.35202-2435682-8	1.Mr.Saif Khalid 2.Mr.Gul Muhammad	59.673	3.257	-	<b>62.930</b>	9.673	1.580	38.943	<b>50.196</b>
56.	M/s.Azeem Sons, Suite D, 1st Floor, Al-Haroon Building, 10-Garden Road, Karachi.	1.Mr.Nusrat Azeem 2.Mr.Shaukat Azeem 3.Mr.Sajjad Azeem	1.514-28-123692 2.514-32-123691	1.Mr.Muhammad Azeem 2.Mr.Muhammad Azeem	0.850	1.171	-	<b>2.021</b>	-	1.030	0.924	<b>1.954</b>
57.	M/s.Waziristan Oil Industries Limited.	1.Mr.Muhammad Adil Monoo 2.Mr.Muhammad Irfan Monoo 3.Mrs.Fouzia Monoo 4.Mrs.Rukhsana Monoo 5.Mr.Muhammad Rafiq Monoo 6.Malik Gulab Khan 7.Malik Saeed Khan	N/A	N/A	11.006	1.617	-	<b>12.623</b>	9.638	0.001	1.616	<b>11.255</b>
58.	M/s.Tariq Cooking Oil Mills (Pvt.) Limited, 6-KM,Raiwind-Kasur Road,Kasur & Room # 3, Hussain Plaza, 13, Fane Road, Lahore.	1.Mr.Irshad Hussain Malik 2.Mr.Tariq Hussain Irshad 3.Mst.Parveen Akhtar	N/A	N/A	9.562	4.843	-	<b>14.405</b>	3.985	4.483	5.344	<b>13.812</b>
59.	M/s.Sunshine Jute Mills Ltd., Sheikhupura Road, Distt.Sheikhupura & 112-B, Gulberg Road, Lahore.	1.Mian Aftab A. Sheikh 2.Mrs.Nasreen Aftab 3.Miss Aysha Aftab 4.Miss Aliya Aftab 5.Mr.Avais Mazhar Hussain 6.Mr.Hussain Aftab	N/A	N/A	5.921	5.517	-	<b>11.438</b>	0.978	1.182	45.496	<b>47.656</b>
60.	M/s.Suhail Aamir Industries (Pvt.) Limited. Kabirwala Road, Khanewal - Multan.	1.Mr.Muhammad Sadiq 2.Mr.Muhammad Nawaz 3.Mr.Muhammad Kazim 4.Mr.Muhammad Iqbal	N/A	N/A	20.840	-	-	<b>20.840</b>	15.340	-	3.183	<b>18.523</b>

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					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
61.	M/s.Hub Textile Mills Limited, Phase-V,Industrial Estate, Hattar, Distt.Haripur -NWFP	Old Directors: 1.Manzurul Hasan 2.Mr.Tanvir Hasan 3.Mr.Azmat Ashraf 4.Mr.Dahid Azmi 5.Ms.Bushra Hassan New Directors: 1.Mr.Saad Abdullah Al-Nadvi 2.Mr.Akhtar Ali Khan 3.Mr.S. Rahimullah 4.Mr.Muhammad Younus Khan 5.Mr.Shafiqur Rahman Adhami			47.974	21.166	-	<b>69.140</b>	-	-	59.483	<b>59.483</b>
62.	M/s.Nayab Spinning & Weaving Mills Limited, Kotla Kahlwan, Distt.Sheikhupura and 145-E/1, Gulberg-III,Lahore.	1.Chaudhry Naeem Gulzar 2.Chaudhry Suhail Gulzar 3.Chaudhry Waseem Gulzar 4.Chaudhry Shakeel Gulzar 5.Chaudhry Mazhar Shakeel 6.Mrs.Shakeela Naeem 7.Mrs.Samina Gulzar	1.226-86-115668 2.226-93-115669 3.226-74-115670 4.226-76-115672 5.272-59-107280 6.226-89-405645 7.226-92-115471	1.Mr.Abdullah Abbas 2.Mr.Hashmat Ali Khan 3.Syed Qadir 4.Iqbal Hussain Khan 5.Mr.M.A.R.Adhami	309.281	120.720	-	<b>430.001</b>	194.538	-	74.235	<b>268.773</b>
63.	Mr.Muhammad Aslam Waheed, A-410,Erum Square, Block - 11, Gulshan-e-Iqbal, Karachi.	Mr.Muhammad Aslam Waheed	277-55-116888	Mr.Khushi Muhammad	0.500	0.100	-	<b>0.600</b>	-	0.025	0.602	<b>0.627</b>
64.	M/s.Yaqoob Salim Export House, R - 1213, Block - 17, Federal 'B' Area,Karachi.	Mr.S.M.Salim	501-50-123641	Mr.S.Badar	0.303	0.654	-	<b>0.957</b>	-	0.512	1.792	<b>2.304</b>
65.	M/s. Daily Jiddat, Rehman Baba Colony, Shoba Bazar,Peshawar.	Mr.S. M. Rizvi	Expired	N/A	-	0.351	-	<b>0.351</b>	-	0.125	0.647	<b>0.772</b>
66.	M/s. Akbar Tanneries Niaz Nagar, Kasur	Sheikh Akbar Siddique	280-54-205996	Mr.Muhammad Siddique	0.539	0.145	-	<b>0.684</b>	0.407	0.001	0.997	<b>1.405</b>
67.	M/s. Sheikh Industry (Pvt) Ltd., A-67, Small Industries Estate, Sukkur.	1.Mr.Sadaruddin Shaikh 2.Mr.Najamuddin Shaikh 3.Mst.Fariha Naseem 4.Mst. Samar Jahan	1.409-55-147225 2.409-57-147227 3.409-62-226822 4.409-60-147228	1.Mr.Nooruddin Shaikh 2.Mr.Nooruddin Shaikh 3.W/o.Mr.Sadaruddin Shaikh 4.W/o.Mr.Iqbal Bashir	0.665	0.277	-	<b>0.942</b>	0.215	-	1.692	<b>1.907</b>
68	M/s.Wincola (Pvt.) Limited.	1.Sheikh Shaukat Ali 2.Hafiz Saadat Ali 3.Sheikh Ashraf Ali	1.272-20-071450 2.272-55-195737 3.272-58-367099	1.Hafiz Sakhawat Ali 2.Sheikh Shaukat Ali 3.Sheikh Shaukat Ali	0.857	0.250	-	<b>1.107</b>	0.206	-	0.668	<b>0.874</b>

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					PRINCIPAL	INTEREST/ MARK-UP	OTHERS	TOTAL				
69	Mr.Muhammad Iqbal, House No.1, Gali No.11, Boby Snacks, Frere Road, Karachi.	Mr.Muhammad Iqbal	601-47-164547	N/A	0.234	0.130	0.019	<b>0.383</b>	0.161	0.130	0.209	<b>0.500</b>
70	Mrs.Bushra Farooq, III-RD, F-9/14, Nazimabad # 3, Karachi.	Mrs.Bushra Farooq	502-52-422991	Mr.M Yaseen	0.238	0.098	0.015	<b>0.351</b>	0.164	0.098	0.238	<b>0.500</b>
71	Syed Irshad Anwar, 43/1-F, Block - 6, P.E.C.H.S., Karachi.	Syed Irshad Anwar	701-87-087294	N/A	0.236	0.080	0.003	<b>0.319</b>	0.172	0.080	0.248	<b>0.500</b>
72	Mr.Iqbal Hussain, Peshawar.	Mr.Iqbal Hussain	Expired	N/A	0.125	0.152	-	<b>0.277</b>	-	0.152	0.416	<b>0.568</b>
73	M/s.Faizan Impex, Room # 51, 3rd Floor, Textile Plaza, M.A. Jinnah Road, Karachi.	Mr.Haroon Habib	509-53-005556	Mr.Habib	1.388	0.084	-	<b>1.472</b>	0.137	-	0.581	<b>0.718</b>
74	Mr.Yar Zaman Khan, 10/547, Block "C", Shershah, Karachi.	Mr.Yar Zaman Khan	N/A	N/A	0.197	0.947	0.088	<b>1.232</b>	-	0.724	-	<b>0.724</b>
75	M/s.Al Fahad Medical Complex, Plot # 186/3, Shahrah-e-Faisal, Karachi.	1.Dr.Zubair Mirza 2.Mr.Mazhar Alam 3.Mrs.Salma Ehsan	1.517-44-331725 2.358-47-153808 3.517-57-331724	1.Mr.Ozair Mirza 2.Mr.Izhar Alam 3.Dr.Zubair Mirza	-	6.793	-	<b>6.793</b>	-	-	3.396	<b>3.396</b>
76	M/s.Fahad Ice Factory, 8-E, Model Town, Lahore.	1.Mr.Tasneem Ahmed 2.Mrs.Sabiha Bano Tasneem	2.35202-88-29278	2.Mr.Tasneem Ahmed	0.820	0.367	-	<b>1.187</b>	-	-	0.642	<b>0.642</b>
77	M/s.First Hi-Tech Composing, Plot # J-559,Ruby Road, Saeedabad, Karachi.	Mr.Muhammad Shoaib	517-47-224370	Mr.Muhammad Shafiq	1.003	0.509	-	<b>1.512</b>	-	-	2.349	<b>2.349</b>
78	M/s.Tando Adam Bone Mills Ltd., P. O. Box # 4295,Serai Road, Karachi.	1.Mr.Muhammad Bashir 2.Mr.Fazal Rehman 3.Mrs.Zubeda Begum 4.Mr.Nisar Ahmed 5.Mr.Muhammad Umar 6.Mr.Muhammad Suleman	1.42301-891804-1 2.42301-84269-1	1.Haji Muhammad Usman 2.Haji Muhammad Usman 3.Haji Muhammad Usman 4.Haji Muhammad Usman	0.316	0.835	-	<b>1.151</b>	-	-	1.632	<b>1.632</b>
79	M/s.Saeed & Company, Shama Cinema Road, Morcha Chowk,Lahore.	Mr.Abu Saeed Ehsan	275-92-036634	Mr.Muhammad Ehsan	0.615	-	-	<b>0.615</b>	-	-	1.136	<b>1.136</b>
80	M/s.K. S. Trading Company, 10,New Cycle Market, Nila Gumbad,Lahore.	Sheikh Alla-ud-Din	35201-10-799039	Sheikh Muhammad Tufail	-	0.125	-	<b>0.125</b>	-	0.065	0.586	<b>0.651</b>
81	Mr.M.Ayub Khan, Jelus Bazar, Larkana.	Mr.M.Ayub Khan	N/A	Mr.Gulab Khan	0.100	0.669	0.015	<b>0.784</b>	-	0.205	1.404	<b>1.609</b>
<b>Total</b>					<b>703.382</b>	<b>307.886</b>	<b>0.525</b>	<b>1,011.793</b>	<b>311.706</b>	<b>63.614</b>	<b>792.090</b>	<b>1,167.410</b>